



# ***Daily Report***

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## **China**

FBIS-CHI-92-111  
Tuesday  
9 June 1992

# Daily Report China

FBIS-CHI-92-111

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**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Article Sees 'Favorable' International Situation

HK0506091292 Beijing SHIJIE ZHISHI in Chinese  
No 8, 16 Apr 92 pp 3-4

[Article by Li Weiguo (2621 5898 0948): "How To Approach the Current Favorable International Situation"]

[Text] Comrade Deng Xiaoping recently pointed out that the current "international situation is favorable." We should therefore seize upon this opportunity to speed up reform, expand opening up, accelerate economic growth, and "strive to rise to a new stage in a few years."

Indeed, whether or not the international situation is favorable has a tremendous impact on domestic construction. How then should one approach the current favorable international situation?

**Danger of world war is greatly reduced after the collapse of the bipolar structure.** The bipolar structure which came into being after the Second World War contained the following three elements: 1) Generally speaking, the United States and the Soviet Union were evenly matched in terms of military strength, possessing more than 95 percent of the world's nuclear weapons between them, and they also headed the rival NATO and Warsaw Pact respectively. 2) The two were basically opposed to each other in terms of social system and ideology. 3) Economically speaking, they each had their own economic organizations, the OECD and the Group of Seven for the West and the CEMA for the East. In the final analysis, these three elements meant that the Soviet Union was the only world power capable of challenging and confronting the United States. Under this bipolar structure, the U.S.-USSR contention led to turmoil and tension in the world situation, and the danger of world war seriously threatened world peace and security for many years. Now that the bipolar structure has collapsed because of the disintegration of the Soviet Union, the risk of world war, which had existed since World War II, was greatly reduced and an improvement in the global security climate and a relaxation of the tense international situation came with it.

After its birth, New China went through a series of grim trials from an international perspective. First, the United States carried out a policy of political isolation, economic embargo, and military threats against our country and caused a deterioration in the neighboring environment by sending troops successively to Korea and Vietnam. Then the Soviet Union deployed massive forces along the Sino-Soviet border and in Mongolia and also sent troops to invade Afghanistan as well as in support of Vietnam's invasion of Cambodia, posing a serious threat to our country's security. Moreover, the tension in the situation around the world made it imperative for us to think more about national defense and the impact of war or world war on China. It was thus difficult to devote our energy to economic construction.

But the situation has undergone a dramatic transformation today with world war unlikely to erupt and a regional war directed at China no longer present. Hence, our country can fully concentrate its energy on economic construction and strive to boost its comprehensive national strength within a shorter period of time.

**The situation in Europe is turbulent and unpredictable while that in the Asia-Pacific region is relatively stable** The collapse of the bipolar structure transformed Europe, relatively stable during the Cold War period, into one of the most volatile regions in the world. The economic crisis and social unrest in the CIS, as well as the conflicts, clashes and violence among the republics of the CIS and within certain countries, have become a major source of instability in Europe. Meanwhile, the economic hardship in central and East Europe as well as the appearance of underlying ethnic feuds and territorial disputes constitute yet another source of instability in Europe. The civil war in Yugoslavia has shattered Europe's post-war record without a hot war. The fragmentation of Yugoslavia as well as the ethnic separatist tendencies in other European countries have already and will continue to affect Europe's stability. The massive influx of eastern Europeans into western Europe has already fanned xenophobic sentiments and brought about the rise of extreme rightist political forces in western European societies. Furthermore, the disintegration of the Soviet Union has reduced the cohesiveness of the U.S.-Europe alliance, thereby intensifying the struggle for leadership in Europe while also bringing to the surface and escalating contradictions between the United States and Europe and within Europe itself.

Comparatively speaking, the Asia-Pacific region is relatively stable. 1) Interstate relations in the Asia-Pacific region are stable and improving extensively. 2) The Asia-Pacific economies are full of vigor. 3) The regional hot spots in Asia have either been resolved or are moving in that direction. The signing of the "Agreement on North-South Reconciliation, Mutual Nonaggression, Cooperation and Exchange" and the "Joint Declaration on a Nuclear-Free Korean Peninsula" between North and South Korea has greatly eased tension on the Korean peninsula. Meanwhile, the Cambodian issue is being settled politically, with the UN's peacekeeping force already in the country and refugees starting to return to their homes. With the withdrawal of Soviet troops from Afghanistan and the war there all but over, conditions for a political settlement are becoming increasingly mature. To China, a stable situation in the Asia-Pacific region undoubtedly offers a rare opportunity which is favorable to economic construction.

**China continues to foster friendly ties with neighboring countries** Developing friendly ties with neighboring countries and creating a peaceful and stable neighboring environment form an important part of China's independent foreign policy of peace. In recent years, China has improved its relations with its neighboring states in varying degrees. Take last year for instance. General Secretary Jiang Zemin's successful visit to the former

Soviet Union and the signing of a Sino-Soviet agreement on the eastern section of the border has laid the foundation for the development of friendly ties; and the withdrawal of troops by the former Soviet Union from Mongolia and from the Sino-Soviet border has also eliminated threats to our security. The visit to China by a high-level Vietnamese delegation headed by the Communist Party of Vietnam's General Secretary Do Muoi and Chairman Vo Van Kiet of the Council of Ministers led to the normalization of relations between China and Vietnam. Premier Li Peng's visit to India opened up a new period for the improvement and development of Sino-Indian relations. The resumption of diplomatic relations with Indonesia, the establishment of diplomatic ties at ambassadorial level with Singapore, and the establishment of diplomatic relations with Brunei advanced China's friendly ties and cooperation with the countries of ASEAN to a new stage. Therefore, looking from the perspective of the neighboring environment, China is enjoying its best period since the birth of the PRC more than 40 years ago. At present, China does not face any real and direct threats to its security. Such an excellent opportunity can be said to be very rare indeed.

**As economic recession appears in Western countries, the Asia-Pacific region continues to enjoy sustained economic growth** Last year, economic recession emerged in the developed countries of North America and Europe and the annual growth rate was estimated at only 1.5 percent, the lowest in recent years. Meanwhile, the economies of the Asia-Pacific region grew by 5 percent, with some countries in East Asia registering even faster rates which were four to six times higher than in Western countries. The continuing high economic growth rate in the Asia-Pacific region has enabled the region to enjoy rising status in the world economy. Meanwhile, as a big country in Asia-Pacific, China's economic growth attracted worldwide attention. Last year, it registered economic growth of 7 percent despite suffering from extraordinarily serious natural disasters. The southern and coastal provinces and cities in China grew even faster as they registered double-digit growth. China's total imports last year amounted to \$63.7 billion. As the West pays increasingly more attention to the Asia-Pacific region, it cannot ignore the vast markets in China.

**China continues to bolster solidarity and cooperation with Third World countries** China considers stronger solidarity and cooperation with Third World countries a fundamental point of consideration in its foreign policy, and in accordance with the changes in the international situation, it has joined the Third World in safeguarding world peace and promoting common growth. China supports the just struggle of Third World countries and vigorously promotes bilateral as well as multilateral cooperation with these countries. Last year, our country not only improved and fostered ties with neighboring developing countries, but also boosted its relations with the developing countries of other regions to varying degrees. Furthermore, China also strengthened ties with

the Group of 77. And this year, it will become an observer of the Nonaligned Movement. By bolstering solidarity and cooperation with the Third World, China has expanded its room for diplomatic activities in the new international situation as well as enhancing its international status.

**Restoration and development of ties with western countries** Last year, normal relations between China and Japan were restored completely. The recent visit to Japan by General Secretary Jiang Zemin as well as imminent exchange visits by leaders of the two countries will propel Sino-Japanese relations to a new phase. The separate visits by Premier Li Peng and Foreign Minister Qian Qichen to western European countries not long ago showed that our relations with western European countries are advancing steadily. Meanwhile, Sino-U.S. relations are also developing through twists and turns. In January this year, an agreement on the protection of intellectual property rights was reached between China and the United States; China acceded to the "nuclear nonproliferation treaty" and also committed itself to abide by the rules and parameters of the "missile technology control regime"; the United States will formally lift restrictions on high-tech exports by two Chinese companies in March of this year. The visit to China by U.S. Secretary of State James Baker last November and the meeting between President George Bush and Premier Li Peng at the Security Council summit in New York in January of this year are indications that China and the United States have resumed high level contacts and that these can contribute to the restoration and development of Sino-U.S. relations. As long as the two sides seek common ground and reserve differences and look to the future, obstacles to the resumption of normal ties between China and the United States can be overcome.

Today, more and more countries in the world have realized that a stable China is beneficial to world peace and development. This is a consensus drawn from the dramatic changes in the world over the past few years. Today, China enjoys political stability and economic prosperity, while the socialist cause has a robust vitality in the country. To build socialism with Chinese characteristics and speed up further the pace of reform and opening up, China needs internal stability and external peace. China's stability and prosperity is closely related to world peace and development. Hence, more and more countries have realized that China constitutes an important stabilizing factor in the international situation. The rising status and role of China is receiving increasingly more important attention from the countries of the world, and this is another favorable factor in the international situation.

#### **Li Peng Departs Beijing for Rio Earth Summit**

OW0906093292 Beijing XINHUA in English  
0916 GMT 9 Jun 92

[Text] Beijing, June 9 (XINHUA)—Chinese Premier Li Peng left here by special plane for Rio de Janeiro this

afternoon to attend the summit session of the United Nations Conference on Environment and Development (UNCED), which is to begin June 12.

Li has been invited by U.N. Secretary General Butrus Ghali and Chairman of the UNCED and President of Brazil Fernando Collor de Mello.

At the opening session of the summit, Li is expected to make a speech on the Chinese Government's principled stand concerning the issues of environment and development. During his stay there, Li will also meet with some of the heads of state and government present at the session.

Among those present at the Great Hall of the People to see Li off today were General Secretary of the Communist Party of China Jiang Zemin, Vice-Premier Yao Yilin, Vice-Chairman of the National People's Congress Standing Committee Peng Chong, State Councillor and Foreign Minister Qian Qichen, and Secretary-General of the State Council Luo Gan.

Brazilian Ambassador to China Roberto Abdenur and diplomatic envoys of other relevant countries here also saw Li off at the Great Hall of the People.

Accompanying Li on the trip are his wife Zhu Lin, Director of the Foreign Affairs Office under the State Council Qi Huaiyuan, Vice-Foreign Minister Liu Huaqiu, Vice-Minister of the State Commission for Science and Technology Deng Nan and Director of the State Meteorological Administration Zou Jingmeng.

Minister in Charge of the State Commission for Science and Technology Song Jian and Director of the State Environmental Protection Bureau Qu Geping, who will also accompany Li at the summit, are already in Rio.

During the period of Li Peng attending the summit session, Vice-Premier Yao Yilin will be acting premier of the State Council.

The UNCED began in Rio on June 3.

#### **Continuing Reportage on UN Environment Summit**

##### **Song Jian Addresses UNCED**

CM0806145492 Beijing XINHUA Domestic Service  
in Chinese 1615 GMT 8 Jun 92

["Extensive excerpts" of speech by State Councillor Song Jian at the ministerial meeting of the United Nations Conference on Environment and Development in Rio de Janeiro on 8 June]

[Text] Rio de Janeiro, June 8 (XINHUA).—Song Jian, head of the Chinese delegation, state councillor and minister in charge of the State Science and Technology Commission and chairman of the Environmental Protection Commission of the State Council of China, today

delivered a speech at the United Nations Conference on Environment and Development (UNCED) being held here.

Excerpts from his speech follow:

It has been two centuries since the industrial revolution and a full twenty years since the 1972 U.N. Conference on Human Environment. While reviewing these two historical periods, what lessons can we learn on the issues of environment and development?

The evolution of human civilization is a gradual process from a less advanced stage to a more advanced one. No stage can last forever. There is always a need for mankind to sum up experiences, look beyond the present stage and make new discoveries and progress. Mankind is entirely capable of meeting the existing and potential challenges in the field of environment and development.

The development modality, in particular, the production and consumption pattern, that has prevailed since the industrial revolution, can hardly continue. Although that modality has brought affluence and growth to some advantaged regions, it has caused poverty and backwardness in many others. Although it has improved men's productivity, it has also resulted in excessive consumption of resources and disruption of the ecological balance and human habitat. Although it has partly met the immediate needs of some people, the long-term development interests of mankind sometimes suffer. Consequently, such a modality has neither brought universal and common development to the world, nor properly protected the environment.

Environmental protection must be carried out in harmony with economic and social development. In the last 20 years since the U.N. Conference on Human Environment, mankind has gained a deeper understanding of the interdependence between environment and development, realizing that environmental protection and development are the two aspects of one major issue and cannot be separated. Therefore, we must find the best way to protect the environment in the course of economic and social development and integrate environmental protection into economic and social development. Since the 1972 U.N. Conference on Human Environment, mankind has made a qualitative leap in its understanding of the issues of environment and development.

Without peace and stability, environmental protection and sustainable development are out of the question. A world without peace and stability will see not only huge wastes of valuable resources in war and conflict but also direct damage to the ecological environment. Peace and stability are the preconditions for environmental protection and economic development at the national, regional and global levels.

Summing up historical experiences, meeting the current challenges, and coordinating future actions constitute the noble mission of this conference. To achieve this



goal, the preparatory committee for the conference has called for the establishment of a "new global partnership" and has written it into the draft "Rio Declaration on Environment and Development." We hold that a "new global partnership" should be established on a firm and solid basis fully reflecting the common understanding of the international community on environment and sustainable development, and it should strive to meet, *inter alia*, the following basic principles.

1. The "new global partnership" should be aimed at enhanced international cooperation in the preservation, protection, and restoration of the global ecosystem as well as in economic development. Our objective should be to enable the people of the whole world to enjoy a better life in a healthy environment. For many developing countries still at the primary stage of economic development, poverty and underdevelopment constitute the primary cause for environmental degradation. Without steady economic development, it is impossible to meet the people's basic need in life, let alone protect the ecosystem and environment. Therefore, the "new global partnership" must cover both environment and development and be designed to properly handle, in particular, problems relating to trade, debt, and funds and to improve the international economic environment with a view to attaining the objectives of environmental protection and coordinated and sustainable economic growth of all countries, especially the developing countries.

2. The "new global partnership" must be based on such universally accepted norms governing international relations as respect for national sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. As countries are in different stages of economic and social development, they are entitled to choose their own ways of economic development and environmental protection which best suit their own national conditions. They have the right to exploit their own natural resources according to their own needs, without causing damage to other nations. Any attempt to impose certain political and economic models on other countries or to attach unreasonable conditions to cooperation will undermine the basis of this partnership.

3. The "new global partnership" must be fair and just. On the one hand, it should give full and realistic consideration to differentiated responsibilities for the global ecological degradation and define corresponding obligations; on the other hand, it should take into account different levels of economic development and capabilities of various countries when deciding on relevant measures and courses of action and refrain from applying one single rule to all cases in disregard of history and reality.

4. The "new global partnership" should be able to handle properly problems of funds and technology transfer. Without a guarantee of funds and technology transfer, international cooperation could only be a mirage. This

question should be approached from the high perspective of the long-term common interests of mankind. Developed countries' assistance to developing countries for sustainable development will be both a contribution to the common interests of mankind and an investment for their own benefit.

5. Without effective participation by developing countries, establishment of a "new global partnership" is impossible and so is global environmental protection and sustainable development. Therefore, international cooperation in the fields of environment and development must take into full account the special situation and needs of developing countries. Additionally, ample attention should be devoted to major environment problems currently afflicting developing countries.

As a big developing country, China is keenly aware of its responsibility and the important role incumbent on it in the protection of the global environment. Despite the financial, technological, and other difficulties, we have made unremitting efforts over the years with a strong sense of responsibility for the whole of mankind and future generations to maintain ecological balance, protect the environment, eradicate poverty, improve people's living conditions, and curb population growth. The Chinese Government has made environmental protection one of its basic state policies and incorporated it into its national economic and social development strategies. Moreover, it has worked out, through practice, a whole set of policies and measures that suit its national conditions. By virtue of hard work, it has achieved notable results in this respect. Over the past decade or more China has, in the course of reform and opening-up, maintained steady economic growth while averting a degradation and achieving some local improvements on the environment. The underlying belief of the Chinese people is that effective environmental protection in China is not only an obligation to themselves and their posterity but also an important contribution to the common cause of the entire human race.

A year ago, the Chinese Government initiated and hosted the "First Ministerial Conference of Developing Countries on Environment and Development" in Beijing as it prepared for the conference on environment and development. The meeting unanimously adopted the Beijing declaration that systematically expounded the position of the participating developing countries on environment and development. It represents a contribution to the success of this conference and to the establishment of a "new global partnership."

The preparations which lasted over two years for this conference have gone a long way in awakening the popular sense of environmental protection. And such awakening and action on the part of the whole of mankind vis-a-vis environment and development marks the beginning of a solution to the problem. The earth on which we live is where life and the human race came into being. It is, at the same time, a very fragile oasis calling for our utmost care. This conference has provided a

historic opportunity for a renewed international cooperation. If we set store by the common interests of mankind for generations to come, and go beyond rhetoric to real action in a responsible way, we surely can seize the opportunity offered by this conference and foster a "new global partnership," and set a good example for international cooperation in a new era.

### U.S. Statement Evokes Laughter

OW0806223992 Beijing XINHUA in English  
2210 GMT 8 Jun 92

[Text] Rio de Janeiro, June 8 (XINHUA)—A U.S. negotiator's short statement this afternoon at the press room of the United Nations-sponsored Earth Summit bursted some 100 reporters into good laughs.

The press room was half packed when Michael Young, a U.S. deputy assistant secretary of state directly involved in the negotiations formulating the U.N. conventions, came to hold a briefing.

When asked to confirm whether the U.S. Government has been putting pressures on Austria, Switzerland and the Netherlands not to sign a European treaty to limit carbon dioxide emissions, the senior government official hesitated.

"Ah....," was his initial response.

However, he turned out a simple answer right after: "No, the United States never puts pressure on anybody...."

His reply was immediately interrupted by loud laughs among reporters, many of them from the United States.

Young himself seemed to be embarrassed, and was also laughing as some laughs of the reporters turned into applause.

He later explained his government's position, which has been against the inclusion of specific timetables limiting the emissions of greenhouse gases, mainly carbon dioxide, in the U.N. convention on climate change.

Actually, the U.S. opposition did change the content of the U.N. document, which was opened for signature on June 4 as the first product of the Earth Summit; and the timetables proposed by European nations was replaced by non-binding provisions.

However, some European nations are currently working on an agreement binding themselves to reducing carbon dioxide emissions by the year 2000 to their respective 1999 levels.

The timeframe of the agreement outside the climate change convention is exactly what these countries sought in the negotiations process of the U.N. document over a period of 15 months.

In its latest move, the U.S. Government, in fear of the agreement that could rally other industrialized countries

to commit themselves to limiting carbon dioxide emissions and therefore could further isolate itself, has been reportedly exerting pressures on the would-be European signatories.

The U.S. negotiator obviously overreacted to clear his government on the allegations mounted by press reports.

Outside the Earth Summit press room, a reporter from a Washington-based news organization was told about Young's answer and asked for comment. "I would be laughing if I were there," she said to her colleagues.

### PRC, Hong Kong Delegates Confer

HK0806023692 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Jun 92 p 2

[By Kathy Griffin]

[Text] Hong Kong's delegates to the Earth Summit in Rio de Janeiro met the head of China's National Environmental Protection Agency, Professor Qu Geping, at the weekend but the British delegates still have not agreed to requests for a meeting.

"We've had no difficulty meeting the Chinese delegates—they are quite friendly. But the British are quite reluctant. It is disappointing," said Mr Gordon Ng Ting-leung of the Conservancy Association, whose eight representatives are the only Hong Kong voice at the summit in Brazil.

Mr Ng said they made numerous requests before and during the conference to meet British delegates to ensure Hong Kong's interests were heard, but received no firm answers.

The association is particularly anxious to urge Britain to sign a treaty on biodiversity, which aims to protect the number and population of plant and animal species. Britain has not yet announced its intentions, but the United States already has said it will not sign.

Sub-tropical Hong Kong contains more species than all of Britain and one fung shui [geomancy] wood in Sai Kung is believed to hold more species of trees than all of Scandinavia, according to Mr Ng.

"In biological terms the variety of species in Hong Kong is very rich and we urge Britain to sign the bio-diversity treaty," he said.

Mr Ng said Professor Qu indicated China wanted to sign the treaty and another pact on global climate change, although it was under pressure from some developing countries not to sign the latter.

Mr Ng and the other association members met Professor Qu for 80 minutes and a second meeting is planned later this week. Last week they also met United Nations-based Chinese officials.

Professor Qu told them he was concerned about proposals to charge ratepayers for sewage disposal because it

would place a burden on Hong Kong people. This is the first indication of mainland views on the subject.

The Hong Kong Government is leaning towards a charging scheme as a means of financing the \$21 billion sewage system necessary to clean up local waters, after announcing last autumn that it would not fund the scheme itself.

Mr Ng said Professor Qu inferred that the price tag might be excessive and, without making a direct link to the sewage scheme, cited the high cost of the new airport which he said could be cheaper if more local Chinese firms were awarded contracts.

"He did not say that he did not support the charging scheme but he just mentioned that it would be a great burden to the people of Hong Kong," Mr Ng said.

Mr Ng said Professor Qu also questioned why the Government undertook so many expensive environmental projects in recent years—such as the sewage strategy, landfills and a chemical waste treatment plant—when these problems had been around for decades.

Mr Ng added they hoped to question Professor Qu on Hong Kong's post-1997 environment policies at this week's meeting and said they had been invited to Beijing for a meeting in future.

#### Summit at 'Standstill'

OW0906033492 Beijing XINHUA in English  
0229 GMT 9 Jun 92

[By Wang Chunrong]

[Text] Rio de Janeiro, June 8 (XINHUA)—The delegations of about 170 countries attending the U.N. Conference on Environment and Development appear to be under the pressure of a countdown after three days of general debate.

Only about 72 hours remain for them to break out of the standstill in which the conference has found itself before almost 100 heads of state and government arrive for the Earth Summit.

Calling the conference "the most thorny negotiations ever seen," some delegates said the last hour must come before dawn on June 11, the day on which the heads of state and government will begin to arrive in Rio de Janeiro to sign the documents that must already have been agreed upon.

The delegations are working at feverish speed to accelerate the pace of the negotiations. The meetings of the various committees are expected to last until 10 p.m. today in order to narrow the differences on such topics as financing and the biodiversity convention.

Last week produced two important moments when, one after the other, the conventions on climatic changes and on biodiversity were opened for signing.

The United States still refuses to sign the biodiversity convention in spite of the fact that even its Western allies, including France and Japan, prefer to distance themselves from its position.

It was learned here today that Britain, which until yesterday was the only one of the 12 European Community countries unwilling to sign the convention, has also decided to sign.

The U.S. intransigence on the issue of the biodiversity convention has placed the United States at the center of attention. It has become the main target of criticism from the delegates of many countries, in both the southern and northern hemispheres.

Acting as a counterweight, some "radical" countries in the southern hemisphere have remained unwilling to sign the convention on climatic changes, which under U.S. pressure had already been watered down during the preparatory meetings.

As for the question of forest conservation, there are also differences between the U.S.-led North and the South. Some of the Southern countries that are endowed with tropical rain forests reject foreign intervention. A representative from Ghana said the much-advocated "world patrimony" meant only "the hand of the North in the resources of the South."

Meanwhile, a long list of issues still requires conciliatory discussions at the committee on "Agenda 21," a blueprint plan of action for environmental protection that should be signed at the summit meeting.

Among those issues, financing continues to be the problem troubling the delegates the most. Many delegates consider this to be the "most complicated issue" of the conference, as no end of proposals and counterproposals are being exchanged.

A few countries of the Group of 77, it is learned, have submitted, privately, a new proposal that does not insist on the global environment fund as "the only" mechanism for channeling aid from the North to the South.

#### Cocom Lifts Ban on Hi-Tech Exports to CIS

OW0306021792 Beijing XINHUA in English  
0153 GMT 3 Jun 92

[Text] Paris, June 2 (XINHUA)—Seventeen Western countries have agreed to conditionally lift controls off high-tech exports to CIS countries, a well-informed source said today.

The conference of the 17-member Co-ordinating Committee Controlling East-West Trade (COCOM) decided Monday to terminate the controls on telecommunications exports, particularly optical-fiber technology, as the technology has been widely used in the West.

However, the closed-door conference agreed that the CIS countries should establish effective organs to supervise



exports to the "southern countries" of some sensitive civil exports with military potential.

The conference also discussed the applications of former Warsaw Pact countries for membership of the committee.

The committee, also called the Consultative Group Cooperation Committee, was established in 1950 to supervise the West's export of strategic materials to the socialist-bloc countries. The committee includes most of the industrialized countries.

#### **Firms Get Central, East Europe Trade 'Autonomy'**

HK0606063392 Hong Kong THE STANDARD  
in English 6 June 92 p A-7

[By Cheung Po-ling]

[Text] China plans to give state-enterprises "full autonomy" to export to the former Soviet Union and eastern Europe region in a bid to snare a fledgling market.

Sources said the Chinese Ministry of Foreign Economic Relations and Trade would soon allow the enterprises to freely export commodities to the former communist countries.

The move will also help relieve a severe stockpiling problem in China.

Until now, exports were all controlled and allocated by the ministry.

In an interview with the Xinhua News Agency recently, a diplomat from the Russian Embassy in Beijing said the total value of Sino-Russian trade is expected to exceed \$5 billion this year.

Sources said the new policy echoed a significant speech recently made by Vice-Premier Tian Jiyun at the Central Party School.

"In regards of the disintegration of the Soviet Union and the eastern Europe, we shouldn't only see the bad side of the picture," Mr Tian said.

"We have also to realise once their situation stabilises and gets back on the right track, their development should by no means be underestimated. In particular Russia, which has ample resources, a sound basis in technological development and high educational level among its people, is a strong and potential competitor to our country."

#### **WEU Urges UN Sanctions Against Yugoslavia**

OW0506031492 Beijing XINHUA in English  
0215 GMT 5 Jun 92

[Text] Paris, June 4 (XINHUA)—The 38th session of the assembly of the Western European Union [WEU] ended here today with a resolution recommending military measures to enforce U.N. sanctions against Yugoslavia.

The resolution adopted at the session called on the ministerial council of the union to take military steps to enforce U.N. Resolution 757 which endorsed sanctions against Serbia and Montenegro for their armed intervention in Bosnia. The ministerial council is scheduled to meet on June 19 in Bonn, Germany.

The four-day session also shifted its focus on Denmark's refusal to ratify the Maastricht Treaty, viewing it as a blow to the pace of a greater European union. The Danish electorate rejected the treaty in a referendum by a slim margin of 0.7 percent.

Emerging from the session, President of the Assembly Hartmut Soell said the Danish rejection reflected the Europeans' misgivings about the turbulent situation in the past three years in the continent.

He urged the parliaments in Western European Union countries to make further efforts to let their people participate more actively in the process of the European union.

Their worries over the increasing bureaucracy in the economic community should not be ignored, Soell said.

The assembly is a consultative body consisting of 108 deputies from the nine member states of the union. It meets in spring and fall each year.

#### **Russia, Balkans Support Sanctions**

OW0606030592 Beijing XINHUA in English  
0150 GMT 6 Jun 92

[Text] Moscow, June 5 (XINHUA)—Russia will recommend a lifting of sanctions against Yugoslavia if the bloodshed in Bosnia is ended, a Foreign Ministry spokesman said Friday.

Speaking at a press conference here, Spokesman Sergei Yastrzhembsky said Russia would support any proposal geared toward a ceasefire in Bosnia-Herzegovina and a political resolution to the crisis.

Several Russian people's deputies had suggested that Russia suspend sanctions against Yugoslavia but the suggestion was vetoed at a parliament session Friday.

Russian First Deputy Parliament Speaker Sergei Filatov hinted that parliament was now studying issues related to the Yugoslav situation, including sanctions.

Meanwhile, in Sofia, Bulgarian Finance Minister Ivan Kostov expressed hope Friday the sanctions against Serbia and Montenegro would not last too long.

Sanctions would not help in the search for a permanent solution to the complex Balkan problem, he said.

Sanctions against a big nation like Serbia were not the answer, he added.



Kostov also predicted dire economic consequences for the Balkan peninsula should the Serbia issue fail to be resolved within two weeks.

Bulgaria's ruling Socialist Party issued a statement supporting a Greek suggestion to convene an all-Balkan conference to find a way out for Yugoslavia.

On Thursday, Sofia said it had suspended all air, water and rail transport links with Yugoslavia in line with United Nations sanctions, but complained the move would lose the country some 400 million U.S. dollars in the coming six months alone.

And in Tirana, the Albanian Government announced Thursday that it too would adhere to U.N. Resolution 757 which imposes sanctions against Belgrade.

Tirana will now outlaw the sale of goods from Serbia and Montenegro in Albanian markets.

#### UN Acts To Enlarge UNPROFOR

OW0906015692 Beijing XINHUA in English  
0119 GMT 9 Jun 92

[Text] United Nations, June 8 (XINHUA)—The U.N. Security Council today approved Secretary-General Butrus Butros-Ghali's recommendation that the mandate and size of the U.N. Protection Force in Yugoslavia (UNPROFOR) be enlarged to enable it to take control of Sarajevo airport.

Under a resolution adopted unanimously tonight, the Security Council decided to increase by more than 1,000 people the now 14,400-strong UNPROFOR, whose mandate now is to monitor a cease-fire in neighboring Croatia.

In a report to the Security Council today, the U.N. chief proposed that the increased personnel include a reinforced infantry battalion of some 1,000 troops, 60 military observers and 40 civilian police, in addition to other military and civilian personnel, in an effort to reopen the airport and thus allow the delivery of humanitarian supplies to the city.

The reopening of Sarajevo airport, which has been under Serbian siege in the past few months, was agreed upon last Friday after three days of negotiations between UNPROFOR officials and representatives of the three ethnic groups—the Muslim Slavs, the Croats and the Serbians.

At present, most of the UNPROFOR personnel are deployed in neighboring Croatia and only about 90 of them are in Sarajevo after the UNPROFOR headquarters was relocated from the city last month.

However, the increased personnel will not be deployed until the secretary-general "judges it appropriate" and until he obtains further Security Council authorization when all the necessary conditions, including an effective and durable cease-fire, exist for the additional personnel to carry out the approved mandate.

According to the report, it will take at least 10 days to implement—in four phases—the agreement in principle, under which UNPROFOR will take over and operate the airport and guarantee its security.

But Francois Giuliani, spokesman for the secretary-general, announced after the adoption of the resolution that the deployment "could be done within a few days" in Sarajevo and around Sarajevo airport as long as the U.N.-brokered cease-fire on June 1 is respected.

The enlarged mandate will cost the United Nations more than 20 million U.S. dollars for four months until mid-October.

The resolution also requested the U.N. chief to use his good offices with the parties concerned and report within seven days any further measures he deems necessary for ensuring unimpeded delivery of humanitarian supplies to Sarajevo and other places in Bosnia and Hercegovina, including the establishment of a security zone encompassing Sarajevo and its airport.

#### NATO Dispute Over German-French Corps Viewed

HK0306093792 Beijing RENMIN RIBAO  
in Chinese 31 May 92 p 6

["Roundup" by staff reporter Xu Hongzhi (6079 1347 3112): "NATO's Dispute Over German-French Army Corps"]

[Text] Berlin, 29 May (RENMIN RIBAO)—At the NATO defense ministers meeting this spring, which ended 27 May, member states had an intense controversy concerning the German-French army corps problem, and this has aroused interest in public opinion circles here.

Shortly before the meeting, Germany and France decided to organize a 35,000-man united army corps at the two countries 59th summit. German Defense Minister Volker Ruehe offered an explanation at the spring NATO defense ministers meeting, stressing that the establishment of this united German-French army corps is to strengthen NATO. But he obviously failed to convince other member states, and the United States and Britain clearly have a different opinion.

The public opinion in Germany says this indicates that since the end of the Cold War between the East and West, a conflict within the West has been developing, and the United States' status and influence in Europe is facing a new challenge.

Last October, Germany and France proposed the concept of a united European army corps, that is, on the basis of the originally existing German-French brigade, step up military cooperation and establish a united European army corps with the German-French army corps as the core, and include member states of the West European Union [WEU]. At the end of last year, the EC meeting in Maastricht adopted the principle of political

union in Europe, and member states concurred to a common defense policy. Germany and France were greatly encouraged. The two countries' recent decision to establish the united German-French army corps indicates that they have begun to implement the proposal they made last October.

This move by Germany and France greatly provoked the United States, for it worries that the German-French army corps would develop into an independent defense system in Europe, thus weakening NATO's function and U.S. influence in Europe.

U.S. Defense Secretary Cheney pointed out that a series of regulations on the German-French army corps is "not clear," and he stressed that the German-French army corps should observe the standard reached unanimously at the NATO summit in Rome and coordinate with the NATO defense structure. Otherwise, the German-French army corps will jeopardize NATO and destroy the basis of security in the pan-Pacific region and Europe, and "this will be an unfortunate outcome," he said.

To let the United States feel at ease, the meeting's final communique stressed that NATO's core function, including its duty to defend NATO territories, remains unchanged, and that the U.S. Army's continued existence in Europe is "an absolutely necessary precondition." The communique also stressed that the placing of the corps under the WEU should not cause a jeopardy to NATO, and the duties assigned to various countries by NATO should remain unchanged, and their first duty is to "fulfill the collective defense responsibility prescribed by the Washington Treaty."

One of the essays in Germany's "Frankfurt Report" says this regulation will cause difficulties for Germany, because, since France has agreed to place its forces under the German-French army corps' command during the talks, then Germany must also agree to place some of its troops under the corps' command, and this contradicts the communique.

It seems that the U.S. effort to stop other countries from joining the corps and to prevent the German-French army corps from developing into an European army corps at the Brussels meeting has scored some results. Britain and the Netherlands resolutely supported the U.S. position; Denmark expressed doubt over the benefit of German-French military cooperation; and Belgium and Italy said clearly that they have no intention of joining the German-French army corps. Only Spain, which, like France, belongs to NATO only politically, might join the corps.

The meeting's final communique did not even mention the German-French army corps, and this obviously shows a big difference in the positions of various sides. It seems that the differences among NATO members concerning this problem cannot be resolved immediately.

### Corps Blow to U.S. Dominance

HK0906092792 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Jun 92 p 6

["Fortnightly Commentary on Current Affairs" column by Shi Ji (0670 7221): "Another Hole in North Atlantic Treaty Organization's Barrier"]

[Text] Following the dissolution of the Warsaw Pact and the disintegration of the Soviet Union, the fate of NATO has become a question of world attention; and this question has drawn more attention since French President Mitterrand and German Chancellor Kohl announced plans to set up a "Franco-German joint corps" recently. France and Germany stated that the joint corps being set up will be the nucleus of a future European corps subordinate to the West European Union and that the "joint corps" must perform both "NATO defense duties" and independently shoulder such duties as "safeguarding and restoring peace" and participating in "humanitarian operations." That is to say, although the "joint corps" will continue to maintain some links with NATO, it will be after all an independent European armed force. As some commentaries say, this is a "stab in the back" for NATO, opening another hole in the NATO barrier.

A great shock has been caused within NATO and the West European Union since the Franco-German declaration was promulgated. Although dissatisfied at heart, the United States still expressed "understanding" and "support" and stressed at the same time that the "joint corps" can only be subordinate to NATO. Taft, U.S. ambassador to NATO, even proposed setting up common European defense after France joined NATO's integrated military organization once again. Of West European countries, Britain and Holland support the U.S. position, while Denmark and Italy harbor doubts on the advantages of Franco-German military cooperation. Spain, Luxembourg, and Belgium have shown interest in the Franco-German plan and even stated that they would join the allied European troops under certain circumstances.

NATO was originally a military bloc set up by the United States, together with some West European countries under the banner of common defense against the "Soviet threat."

Since NATO's establishment in 1949, the United States has offered a "nuclear umbrella" to West Europe through it and at the same time has exercised tight control over West Europe. West Europe has been deeply dissatisfied with U.S. control and as early as 1967 France withdrew from NATO's integrated military organization after insisting on an independent defense policy. However, in the face of the "Soviet threat," they could not but rely on U.S. "protection." Therefore, although there has been a struggle for control between the United States and West Europe over the past 40 years or so, this military alliance has been maintained all along. Now with the disintegration of the Warsaw Pact and the

Soviet Union, is it necessary to continue to retain NATO? And what is the major object to guard against? On this matter there are obvious differences between the United States and some West European countries, especially France and Germany.

The reason the United States gave for its vigorous advocacy for retaining and consolidating NATO is that despite the Soviet Union's disintegration, the United States and West Europe are still faced with the common task of dealing with regional conflicts and maintaining Europe's stability. The United States has asked West Europe to shoulder more defense responsibilities so as to lessen its burden, but has repeatedly stressed that this must never weaken and harm NATO. U.S. intentions are very clear. To act as the "sole superpower," it must control West Europe and have leverage [zhu dao quan 0031 1418 2938] in European affairs, and NATO is the ideal instrument for it to achieve this objective. In particular, given a greatly strengthened Germany since unification, the United States harbors misgivings and considers guarding against Germany an important part of its security strategy.

West European countries are also keeping a wary eye on the rise of Germany. However, the absence of a bipolar world pattern is accelerating moves toward a politically and economically united Europe. It no longer needs U.S. "protection" on the one hand, no longer resigns itself to U.S. "world dominance," and needs to strive to become a pole in a multipolar world. Breaking through the NATO barrier, extricating itself from U.S. control, and striving for more leverage have become common aspirations for some West European statesmen. France and Germany have always been the "axis" for a West Europe alliance and ardent advocate of setting up independent defense. As early as 1987, Kohl suggested to Mitterrand that a "mixed Franco-German brigade" be formed. When the French and German leaders met last October, they proposed to set up a "joint corps" on the basis of the "mixed Franco-German brigade." In view of this, despite their different intentions, France and Germany have long planned this step.

The dispute over the Franco-German "joint corps" in fact reflects the struggle between the United States and West Europe for leverage in European affairs. People will just wait and see how much longer NATO continues to exist. Nevertheless, the Franco-German "joint corps" is a blow to U.S. attempts to dominate the world.

#### **Foreign Trade Talks Held 'Recently' in Sichuan**

*OW0806031592 Beijing XINHUA in English  
0244 GMT 8 Jun 92*

[Text] Chongqing, June 8 (XINHUA)—The southwestern China talks on foreign trade and economy has ended recently in Chongqing, an industrial city in southwestern China's Sichuan Province.

More than 1,250 businessmen from 29 countries and regions took part in the six-day talks which recorded a total business volume of over 294 million U.S. dollars.

The talks were jointly sponsored by Sichuan, Yunnan and Guizhou Provinces, and the Guangxi Zhuang and Tibet Autonomous Regions.

The sponsoring provinces and autonomous regions signed some 56 agreements for the introduction of foreign investment for cooperative projects covering development of the real estate, machinery, electronics, chemical, medicines, service and light industries.

Chongqing, the host city, concluded a business volume of over 66.45 million U.S. dollars.

#### **Minister on Democracy at International Labor Forum**

*OW0506161492 Beijing XINHUA in English  
1547 GMT 5 Jun 92*

[Text] Geneva, June 5 (XINHUA)—Democracy develops from the evolving civilization of all countries and cannot be monopolized by any single mode, a Chinese official said here today.

Speaking at the 79th international labor conference, Chinese Labor Minister Ruan Chongwu said the concept of democracy is constantly enriched by various countries as time goes by.

Democratization and the International Labor Organization (ILO) will be high on the agenda of discussion during the 20-day conference.

The present-day world is in a transitional period from the old structure to a new one. "It is a time of high hopes and also of great risks," Ruan said.

Against such a background, ILO has an important task to perform in areas like employment promotion, income expansion, working conditions, and social security.

"If we can take into account and make allowance for different perceptions of democracy under various political, economic and social systems as well as in countries of different historical, religious and cultural backgrounds; if we can move ahead together in the spirit of seeking common ground while reserving differences and enhancing mutual understanding," then, he concluded, we can usher in a new international situation of mutual respect, mutual accommodation, harmony, cooperation and common progress towards democracy.

On the contrary, if any one should attempt to judge other countries against a particular mode or impose the mode on others, it may lead to conflicts among countries with different systems and backgrounds, or bring the world to the brink of risks, even disasters, he said.

He stressed that in promoting democratization, the International Labor Organization (ILO) should emphasize that the process should not bring poverty or turmoil



to its members nor should it impair the fundamental rights and interests of workers.

There would be little point in introducing or restoring democratic values if doing so did not offer a cure for poverty, inequality and exploitation, he quoted ILO's Director-General Michel Hansenne as saying.

For over 150 years, the Chinese people have fought long and hard in pursuit of well-being and democratic rights. It was under the Communist Party leadership that they found at last the road of development suited to China's realities.

With regard to China's achievements, Ruan said Chinese national income had increased by 10.9 fold and per capita consumption 2.7 fold from 1952 to 1990.

"We now support 22 percent of the world's population with seven percent of the world's cultivated land."

Meanwhile, great achievements have been made in the fields of education and medical care. By 1990, the number of university, secondary and primary school students were 17.6, 40.3 and five times more respectively than the number in 1949.

### United States & Canada

#### **Baker, Russian Foreign Minister Confer on Arms**

OW0806233492 Beijing XINHUA in English  
2235 GMT 8 Jun 92

[Text] Washington, June 8 (XINHUA)—U.S. Secretary of State James A. Baker III and Russian Foreign Minister Andrey Kozyrev met today to settle differences between the two nations on further nuclear arms reduction and exchange views on the Western aid to Russia.

Kozyrev, who was here to prepare the mid-June visit by Russian President Boris Yeltsin, held two rounds of talks with Baker today and they were scheduled to meet again tomorrow.

Both sides have hoped to announce an agreement slashing strategic arms beyond the levels stipulated by the START treaty signed by the United States and the now-defunct Soviet Union last year.

After months of negotiations, the United States and Russia have agreed to reduce to 4,700 warheads, about half of the number each side allowed to keep by the START treaty.

But the negotiations hit snags when the United States insists that Russia destroy all land-based long-range missiles with multiple warheads which form the backbone of the Russian strategic forces, while Moscow wants to retain a significant number of such type of missiles.

Before sitting down for talks this morning, Baker said that both sides want to move forward with further

reductions, but he added that "it's not a matter simply of numbers. It's a matter as well of the mix of weapons."

Baker also said that there was little chance that the Congress would approve the legislation on assistance to the former Soviet republics before Yeltsin's arrival here on June 15, despite repeated appeals by the Bush administration.

The legislation, proposed by President Bush, would authorize the U.S. participation in a 24 billion dollar Western aid package to Russia, increase U.S. contributions to the International Monetary Fund, which is assisting reforms in the former Soviet Union, and provide other forms of assistance to the former republics.

However, Bush and Yeltsin will reportedly sign a number agreements covering much of content in the legislation even without the Congress' approval.

The Baker-Kozyrev talks were also expected to touch upon Western concerns that the economic reforms, which are regarded preconditions for the Western aid, are slowing down in Russia.

Kozyrev conceded Yeltsin is facing "political and bureaucratic resistance" to the economic reforms, but the foreign minister said "this will be overcome."

#### **CIA, DIA Pessimistic About Russian Reforms**

OW0906060592 Beijing XINHUA in English  
0525 GMT 9 Jun 92

[Text] Washington, June 8 (XINHUA)—The U.S. intelligence community today painted a pessimistic picture about the economic reforms in Russia and other former Soviet republics.

The view about the former Soviet Union was expressed in reports submitted to Congress by the Central Intelligence Agency (CIA) and Defense Intelligence Agency (DIA) and in testimonies by officials of the two major American spying institutions.

"The economic outlook for the next year or two is grim," said the CIA report on the former Soviet Union.

"The process (of reform) will be contentious, it will move in fits and starts, and it will be marked by recurring crises," said John McLaughlin, the CIA's director of Slavic and Eurasian analysis.

He told the joint economic committee of Congress that at best, reform in Russia will take a decade.

He noted that managers of industrial plants and local government officials are consistently rejecting all changes that reduce their influence.

Kathleen Horste, an official of DIA, said that little progress has been made in converting defense industries to civilian production despite a projected 50 percent cut in the Russian defense budget.

### Nationalities Art Troupe To Make U.S. Tour

OW0806020992 Beijing XINHUA in English  
0137 GMT 8 Jun 92

[Text] Shenzhen, June 8 (XINHUA)—The Chinese Art Troupe of the Nationalities will visit the United States to participate in the international arts festival in Salt Lake City, Utah State, which will be held from July 9 through August 11.

The art troupe from Shenzhen will also visit other major American cities, including Houston, Los Angeles and San Francisco.

The Chinese art troupe will perform selected songs and dances with ethnic characteristics, including dance of Gaoshan nationality like "Worship the Harvest Year" and dances of the Mongolian nationality like "Song for the Bride."

The 35 performers from seven nationalities belonging to the art troupe have been busy rehearsing in Shenzhen.

### Central Eurasia

#### Diplomatic Ties Established With Georgia 9 Jun

OW0906110892 Beijing XINHUA in English  
1055 GMT 9 Jun 92

[Text] Tbilisi, June 9 (XINHUA)—The People's Republic of China and the Republic of Georgia decided to establish as of today diplomatic relations at the ambassadorial level.

A joint communique was signed here today by Chinese Government representative, ambassador to Russia, Wang Jinqing, and Georgian First Acting Deputy Premier Aleksandr Davidovich Chikvaidze.

The communique said the governments of China and Georgia have, in conformity with the interests and desire of the two peoples, decided to establish diplomatic relations at the ambassadorial level as of June 9, 1992.

The two governments, it said, have agreed to develop friendly relations and cooperation between the two countries on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence.

The Government of the Republic of Georgia recognizes the Government of the People's Republic of China as the sole legitimate government of China and Taiwan as an inalienable part of the Chinese territory, the communique said, adding that the Georgian Government undertakes the obligation not to establish any form of official relations with Taiwan.

The Chinese Government supports the Government of Georgia in its efforts to safeguard national independence and develop economy, the communique said.

The two governments have agreed to provide each other with all necessary assistance to facilitate the performance of the functions by their diplomatic representatives on the basis of equality and mutual benefit in accordance with international practices, the communique said.

### Northeast Asia

#### Japanese Upper House Passes Use of Troops Bill

OW0806211592 Beijing XINHUA in English  
1931 GMT 8 Jun 92

[Text] Tokyo, June 9 (XINHUA)—Japan's upper house of parliament approved early today a bill that would allow Japanese troops to serve abroad in peace-keeping operations for the first time since the end of World War Two.

The bill was passed in plenary session by 137 against 102 after four days and nights of voting, a parliament spokesman said. Now the bill goes back to the more powerful lower house for final approval, where the ruling Liberal Democratic Party hold a strong majority.

The bill would allow Japan to send up to 2,000 troops abroad to trouble spots as U.N. peace-keeping force. The opposition, which has used cow-walk tactic in the past three days to delay the passage, said the bill violate the national constitution.

Under the parliamentary timetable, Prime Minister Kiichi Miyazawa has until June 21, the end of the current 150-day session, to get the bill through.

Japan's constitution bans the use of military force to settle international disputes, and opposition parties worry that the bill could be the first step toward remilitarization.

The troops bill was first introduced almost two years ago, after Japan was sharply criticized for not helping the U.N.-mandated effort to drive Iraqi troops from Kuwait.

#### Commentary Says DPRK-U.S. Relations Improving

SK0706111292 Beijing Radio Beijing in Korean  
1100 GMT 4 Jun 92

[Unattributed commentary: "DPRK-U.S. Relations Are Improving to a Certain Extent"]

[Text] Twenty-five members of the American Freedom Coalition delegation led by its chairman Richard Ichord, former U.S. Congressman, paid a six-day visit to Korea [Choson] beginning 28 May at the invitation of the Korean Supreme People's Assembly [SPA] Foreign Affairs Commission.

Among the members of the U.S. delegation visiting Korea are such luminaries as three former assistants to the Secretary of State, including former U.S. assistant secretary of the State for East Asian and Pacific Affairs Holdridge, former congressmen, and a former governor.

This is the first time in history that a U.S. delegation of such magnitude has ever visited Korea.

Kim Yong-sun, secretary of the Central Committee of the Workers Party of Korea and chairman of the SPA Foreign Affairs Commission, said that this was an expression of friendliness between the two countries and their peoples who want to become closer.

During the visit, the two sides showed their earnest desires and sincere attitudes to improve U.S.-Korean relations.

Secretary Kim Yong-sun said it is very natural to improve Korean-U.S. relations at a time when the cold war is over. He stated this not only meets the aspirations of the two countries' peoples, but it is also in the two countries' interest and in harmony with global trends that are moving toward reconciliation, detente, and peace.

Delegation head Richard Ichord noted that although the two countries have maintained a series of varying opinions on positions [kyonhae] and systems from time to time in the past, they now have much in common—including the desire to improve relations. He said new U.S.-Korean relations should be established as a matter of course.

The two sides have also deepened their mutual understanding by frankly exchanging, on many occasions, their views on issues of mutual interest and on relations between the two sides in particular. The two sides expressed their satisfaction with this.

Secretary Kim Yong-sun said that the U.S. delegation's current visit would be beneficial to both sides.

Richard Ichord noted the delegation's visit to Korea this time around conveys that relations between the two countries have entered a new era. He hopes a Korean delegation can visit the United States and that embassies of the two countries will be opened in Pyongyang and in Washington in the not too distant future.

A delegation member said that they will report the current visit's outcome to President Bush.

This year Korea and the United States held for the first time in its history the first round of high-level talks in New York. President Kim Il-song in April gave a speech [as heard] to a WASHINGTON POST [as heard] reporter, hoping that relations between Korea and the United States could improve.

Not long ago, the Korean People's Army handed over, for the first time, to the U.S. forces the remains of 30 U.S. soldiers killed during the Korean war. All these are welcome developments that attract people's attention.

In his arrival statement in Pyongyang, Richard Ichord quoted a Chinese saying: "A journey of a thousand miles starts with but a single step."

Many people feel that Korean-U.S. relations, which have been in a hostile state, are improving to a certain extent. With exchanges and contacts between Korea and the United States increasing and with the two sides taking practical steps without end, relations between the two countries will surely bring about practical improvements.

## Southeast Asia & Pacific

### Ministry Endorses Cambodian Cease-Fire 2d Phase

OW0706100292 Beijing XINHUA in English  
0935 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—The spokesman for the Chinese Ministry of Foreign Affairs today gave remarks concerning the second phase of the ceasefire in Cambodia.

He said that ever since the signing of the Paris agreement on a comprehensive political settlement of the Cambodian question, the Supreme National Council of Cambodia (SNC) headed by Prince Sihanouk and the United Nations Transitional Authority in Cambodia (UNTAC) have done a great deal of work for its implementation, and achieved some progress therein.

"As the peace process in Cambodia is now entering the crucial period of the second phase of the ceasefire, we support the efforts of SNC and UNTAC for carrying out, as scheduled, the second phase of the ceasefire," he noted.

He said that "We call on all the parties in Cambodia, under the leadership of Prince Sihanouk, to cooperate closely with UNTAC with the sincerity for national reconciliation and the comprehensive implementation of the Paris agreement."

As for some concrete problems and divergence of views that may arise in the course of the implementation, he added, it is incumbent on SNC and UNTAC to settle them properly through consultations on the basis of facts.

He stated that the realization of a comprehensive political settlement of the Cambodian question would conform to the fundamental interests of the Cambodian people and contribute to maintaining peace and stability in the region.

"China will continue to work together with other members of the international community for the implementation of the Paris agreement and the advancement of the peace process in Cambodia," the spokesman said.

### Li Guixian Receives New Zealand Bank Chairman

OW0906093692 Beijing XINHUA in English  
0917 GMT 9 Jun 92

[Text] Beijing, June 9 (XINHUA)—Li Guixian, Chinese state councillor and governor of the People's Bank of



China, met with visiting Chairman of the Bank of New Zealand Sydney D. Pasley and his party here today.

Li and Pasley had a friendly conversation on the strengthening of the cooperative relations between the Bank of China and the Bank of New Zealand. The two banks have been in relationship as each other's agent since 1957.

The New Zealand visitors arrived here June 6 on an eight-day visit to China.

### West Europe

#### Tian Jiyun Talks With Finnish Vice Premier

OW0906023692 Beijing XINHUA in English  
0218 GMT 9 Jun 92

[Text] Helsinki, June 8 (XINHUA)—Chinese Vice-Premier Tian Jiyun today held talks with Finnish Vice Prime Minister and Foreign Minister Pertti Salolainen on economic and technological cooperation between the two countries.

Tian, who arrived here this morning for an official visit, expressed satisfaction with the smooth development of the bilateral relations, particularly in the economic, industrial and technological fields.

He said that China and Finland could complement each other since China had rich natural resources, a large market and cheap labor while Finland was advanced in such areas as the forestry industry, timber processing and environmental protection.

Salolainen said that Tian's visit to Finland was significant, especially because it took place at a time when the Finnish economy was under adjustment.

Salolainen expressed his hope to tap the great potentials in Sino-Finnish economic relations.

Tian and his delegation arrived here after visits to Sweden, Norway and Denmark.

#### Ministry Welcomes German Move To Offer Loans

OW0606130992 Beijing XINHUA in English  
1238 GMT 6 Jun 92

[Text] Beijing, June 6 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the Sino-German economic and trade relationship is of mutual benefit, and China welcomes all measures adopted by the German side which are beneficial for the further development of Sino-German economic and trade cooperation.

The spokesman made the remark when asked to comment on a proposal passed by the Foreign Affairs Committee of the German parliament to offer China a loan of 600 million German marks to buy three German ships.

#### Portugal's Soares Says Chinese Ties 'Excellent'

OW0806034192 Beijing XINHUA in English  
0316 GMT 8 Jun 92

[Text] Lisbon, June 7 (XINHUA)—Portuguese President Mario Soares today described relations between Portugal and China as "excellent."

Soares told an economic delegation from China's Guangdong Province that he hoped the visit would help increase existing cooperation between the two sides.

The Chinese delegation, headed by Wang Dingchang, general economist of the Guangdong Planning Commission, came here at the invitation of Governor of Macao General Rocha Vieira to attend a symposium on Macao's opportunities within the framework of the Zhujiang (Pearl River) delta.

During its stay in Portugal, the delegation informed Portuguese officials of the development in Guangdong and the Zhuhai Economic Zone.

The delegation also held discussions with businessmen from Portugal and Macao, exploring potential economic cooperation between Guangdong and Macao, Portugal and the European Community.

#### Minister on Importance of Ties

OW0506120492 Beijing Central People's Radio  
Network in Mandarin 1700 GMT 4 Jun 92

[From the "International News and Current Events" program]

[Text] De Oliveira, minister of commerce and tourism of Portugal, pointed out in Lisbon on 3 June that the Portuguese Government attaches great importance to strengthening cooperative relations between Portugal and the People's Republic of China. De Oliveira made these remarks at the opening ceremony of a Lisbon symposium on Macao's trends and opportunity on the Zhu Jiang Delta.

De Oliveira pointed out: Portugal is devoted to strengthening cooperative relations between the European Community and the PRC. The relations are not limited to trade, but also cover two-way investment and technological cooperation. Entrepreneurs in Portugal and China should enhance mutual understanding, study the feasibility of projects of common interest, and establish joint ventures.

Macao Governor Rocha Vieira also addressed the symposium. He said: Portugal is greatly interested in developing economic cooperation with China in various fields through Macao.

Government officials—as well as personalities from industrial and business and banking circles present at the symposium—generally believe Macao will see great economic development around the end of this century and early next century. Whether Macao can tap its economic



potential will depend on whether Macao can carry out a close economic cooperation with the Zhu Jiang Delta. Macao can serve as a bridge between the European Community—including Portugal—and the Asia-Pacific region—including China.

#### **Anniversary of Sino-Greek Diplomatic Ties Feted**

OW0506131692 Beijing XINHUA in English  
1306 GMT 5 Jun 92

[Text] Beijing, June 5 (XINHUA)—The Chinese People's Association for Friendship with Foreign Countries gave a reception here this evening in celebration of the 20th anniversary of the establishment of diplomatic relations between China and Greece.

Among those present were Wang Guangying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, Han Xu, president of the host association, and Jiang Enzhu, vice-minister of foreign affairs.

Also present were Greek ambassador to China Pandelis S. Menglidhis, and Mrs Menglidhis, and other diplomatic officials from the embassy.

Han said in his toast that since the two countries established diplomatic relations in 1972, bilateral friendly relations have developed rapidly, and mutual understanding and friendship between the two peoples have been strengthened.

This is a result of the joint efforts made by the governments and peoples of the two countries, he said.

Han said his association, as a non-governmental organization for the promotion of friendship between the Chinese people and the people of other countries, has always regarded the strengthening of mutual understanding and friendship between the peoples of China and Greece as a glorious task.

For years, he said, the association has played host to goodwill delegations and groups from Greece, while sending Chinese delegations and art groups to Greece.

In addition, he said, efforts have been made by the association to promote the friendly ties between the cities of Shanghai and Pireaus.

He expressed the hope that the traditional friendship that has been strengthened over the past 20 years would be passed on from generation to generation.

Menglidhis said that since his arrival in China he had experienced the Chinese people's friendly feelings toward the Greek people.

He thanked the Chinese Government and the host association for their efforts to promote Greece-China friendship, hoping that such friendship would be further enhanced.

#### **Xinjiang Chairman Meets UK Embassy Official**

OW0506041792 Urumqi Xinjiang Television Network  
in Mandarin 1655 GMT 4 Jun 92

[From the "Xinjiang News" program]

[Text] Last night at the Xinjiang Hall of the People, Tomur Dawamat, autonomous region chairman, met with Mr. (Keith Alan), commercial counselor of the British Embassy in China, and his wife and entourage, who are visiting Xinjiang. The 11-member party arrived in Urumqi on 31 May and have visited Urumqi, Karamay, (Lushanci), and other areas. They also held extensive discussions with relevant Xinjiang departments on economic cooperation and toured the oil field and ethylene projects.

Tomur Dawamat extended his warm welcome to (Keith Alan), and expressed his satisfaction with the friendly cooperation between China's Xinjiang and Britain, as well as his hope that such cooperation will continue and constantly expand.

Mr. (Keith Alan) indicated that there is great potential for cooperation between China and Britain. As reform and opening up to the outside world in Xinjiang move ahead and the investment environment constantly improves, Britain will undertake wider and more profound cooperation with China's Xinjiang.

Chairman Tomur Dawamat also invited British friends from business and financial circles accompanying the guests to come to Xinjiang in September to discuss cooperation projects. (Keith Alan) and his party gladly accepted the invitation.

#### **Meets Turkish Ambassador**

OW0606025692 Urumqi Xinjiang Television Network  
in Mandarin 1655 GMT 5 Jun 92

[From the "Xinjiang News" program]

[Text] Tomur Dawamat and (Li Donghui), respectively, chairman and vice chairman of the autonomous region, met with Resat Arim, the Turkish ambassador to China currently visiting Xinjiang, at the Xinjiang Hall of the People last night.

Ambassador Resat Arim arrived in Urumqi yesterday. During his stay, the ambassador will visit attractions and historic sites in Urumqi and Turpan and will hold talks on bilateral cooperation with personnel from economic, trade, and cultural departments.

At the meeting, Chairman Tomur Dawamat briefed the ambassador on Xinjiang's development in recent years, as well as on the situation and customs of ethnic minorities. He pointed out: The time for opening up in Xinjiang has arrived. We must seize the opportunity to strengthen cooperation in economic and other fields with Turkey and other countries so as to breathe new life into the ancient Silk Road.

Ambassador Resat Arim expressed his tremendous joy at seeing China's great achievements. He expressed the hope that Xinjiang will further speed up the pace of economic construction, and that cooperation and friendly relations between the two sides will strengthen further.

#### **Sino-Italian Pact Protects Cultural Relics**

*OW0906150192 Beijing XINHUA in English  
1427 GMT 9 Jun 92*

[Text] Beijing, June 9 (XINHUA)—Representatives of the Chinese and Italian Governments signed an agreement for the construction of a cultural relics protection and restoration center in northwest China's Shaanxi Province.

Yu Xiaosong, assistant minister of foreign economic relations and trade, and Guiseppe Santoro, director general of the foreign cooperation department of the Italian Foreign Ministry, signed the agreement this afternoon at the Great Hall of the People.

Chinese State Councillor Li Tieying, and Zhang Deqin, director of the State Administration of Museums and Archeological data (SAMA), attended the ceremony, along with Oliviero Rossi, the Italian ambassador to China.

The center will be jointly set up by Shaanxi Province and the Italian Government which donated 4.7 billion Italian liras to the project.

The center will provide services related to the protection and restoration of cultural relics and will help train

professionals in the sector. The center will also provide technical assistance to other northwestern provinces and autonomous regions.

The Italian delegation arrived in Beijing on Monday at the invitation of SAMA.

#### **China Eastern Airlines Opens Route to Brussels**

*OW0906103092 Beijing XINHUA in English  
0956 GMT 9 Jun 92*

[Text] Beijing, June 9 (XINHUA)—China Eastern Airlines, the country's second largest passenger carrier, will open its first European route tomorrow—from Shanghai to Brussels.

Yan Banghong, vice-president of the company, announced this at a press conference in Beijing today.

He said that the new route, with stops in Beijing and Bahrain, will be extended to Madrid at a later date.

Experts commented that the new route will help promote the economic development of Shanghai, in particular that of the Pudong New Development Zone there, as well as its exchanges with Europe.

Yan also revealed that new routes are scheduled this year to Seattle and Chicago in the U.S.

The Shanghai-Brussels route is 13,000 km and takes about 17 hours.

Using MD-11 airliners, the flights will leave Shanghai every Wednesday and Saturday and return from Brussels every Thursday and Sunday afternoon.

## Political

### RENMIN RIBAO Editorial on Reform

#### XINHUA Preview

OW0806142392 Beijing XINHUA in English  
1359 GMT 8 Jun 92

[Text] Beijing, June 8 (XINHUA)—"PEOPLE'S DAILY [RENMIN RIBAO]," China's leading national newspaper, will carry an editorial entitled "A New Stage in China's Reform and Opening" in its tomorrow's edition.

The editorial says that Deng Xiaoping's inspection tour of south China earlier this year and the important speech he delivered while there have ushered in a new phase in the development of reform and opening to the outside world.

According to the editorial, the strategic tasks facing the nation and the party are to take advantage of favorable conditions, further emancipate thought, and accelerate the reform and opening effort in order to promote economic development to new heights.

The country's reform and opening effort has passed through three specific phases including rural reform and experiments with urban reform, the restructuring of the urban economic system and the comprehensive development and reform in the political, economic and scientific and technological sectors and improvement of the economic environment and rectification of the economic structure.

The editorial notes that China's economic system has undergone extensive and significant changes with the socialist commodity economy and operational mechanisms gaining increased vitality, and the newly emerging open economy actively participating in international exchanges.

The vast potential of Chinese society has been tapped since the establishment of the new economic system, and a consumer based market has emerged.

It points out that the key phase during the 1990s will involve the consolidation of the successes of the previous phases and the creation of conditions conducive to development of the next phase.

In the 1990s, a new effort will be made to completely transform the country's old economic system.

The current decade is also an important period for the development of China's socialist system, according to the editorial which notes that both the present productivity and the current standard of living of Chinese citizens remains at a low level.

Whether or not China can enhance its national economic strength and further improve the living conditions of the

people are vital aspects of consolidating the socialist system and for the ultimate fate of the country and its people.

The editorial points out that the present international environment and China's current domestic situation are both favorable for the country's economic development during the 1990s.

During the development phase, according to the editorial, China's economic reform and opening to the outside world will attain new and conspicuous characteristics which include attempts to coordinate reforms in many different sectors in order to achieve the overall development and deepening of the economic reform.

The editorial calls for transforming enterprises into independent commodity producers and granting managers complete autonomy to operate the enterprises. In regards to opening to the outside world, the editorial notes that China's opening effort is being expanded from coastal regions to the areas along the Yangtze River, inland provinces, and in border regions.

While accelerating the reform and opening effort is a gargantuan task, it will nonetheless result in a new highly efficient economic mechanism.

According to the editorial, China must follow a socialist path which agrees with actual conditions presented by the new economic mechanism.

It calls on the Chinese people to shoulder the historical tasks associated with reform and opening during the 1990s with strong sense of purpose and the prospects for greater opportunities.

#### Text of Editorial

OW0806142992 Beijing XINHUA Domestic Service  
in Chinese 1058 GMT 8 June 92

[RENMIN RIBAO 9 June editorial: "New Stage of China's Reform and Opening to the Outside World"]

[Text] Beijing, 8 June (XINHUA)—The important talks made by Comrade Deng Xiaoping during his southern China inspection tour early this year signal that China's task of reform and opening to the outside world has entered a new stage of development. Seizing the opportune time, further emancipating the mind, changing the mentality, accelerating the pace of reform and opening to the outside world, and striving to better and faster advance our economic development to a new stage are the strategic tasks of the whole party at the present time.

Currently, inspired by the guidelines of the plenary session of the Political Bureau of the CPC Central Committee and the important talks of Comrade Deng Xiaoping, localities in all parts of the country are drawing up plans, adopting measures, and mobilizing the masses to work earnestly and in a down-to-earth manner. Judging from recently reported developments in various localities and from the recent communique on

the national economy published by the State Statistics Bureau, the pace of China's modernization is clearly accelerating. We must raise our spirits, work boldly and meticulously, make concerted efforts to carry out several major tasks, and blaze a path for developing the national economy at a high speed and with more efficiency.

The cause of China's reform and opening to the outside world commenced from the Third Plenary Session of the 11th CPC Central Committee. Since then, it has gone through three stages: rural reform and experimental urban reform; urban economic structural reform and all-round development of political, scientific and technological, and educational reform; and the drive to improve the economic environment, straighten out the economic order, and deepen reform. [Beijing XINHUA Domestic Service in Chinese at 1713 GMT 8 June filed a service message deleting previous two sentences and adding the first 5 words of the following paragraph]

Over the past 13 years, changes of far-reaching significance have taken place in our country's economic structure: We have moved from a highly centralized management structure, which exercised rigid control and excessive interference, to one that uses the economic means of planning and the market, and we have gradually established an energetic and vigorous socialist commodity economic structure and operating mechanism. We have also moved from a closed or semi-closed economy to an open economy that takes an active part in international exchanges.

Along with the gradual establishment of the new structure, the tremendous potential in our society is being brought into play with a strong force. One prominent phenomenon is that past instances of shortages characteristic of a planned economy are increasingly being replaced by brisk supply and demand, and by the appearance of a buyer's market in certain products. This is a major change of historical significance.

Entering the 1990s, the cause of China's reform and opening to the outside world is at an extremely important and critical moment.

The 1990s are an important period for continuing to realize the "three-step" strategic objective. This step, continuing the past and opening up the future, is very significant as it serves to consolidate the result of the first step and creates conditions for development in the third step.

The 1990s are a crucial period for the transformation of the economic structure. In accordance with Comrade Deng Xiaoping's vision, it will take another 30 years for us to build a set of more mature and stable systems. In the 1990s, we must make a breakthrough in replacing the old structure with a new one.

The 1990s are an important period in which our socialist system is undergoing a rigorous test. Our country's productive forces and standard of living are rather weak and low and still lag far behind those of developed

countries and even those of fairly developed countries and regions in our vicinity. Whether China is able to enhance its economic strength and improve the living standard of its people in the 1990s concerns the consolidation of the socialist system and the future and destiny of the country and nation.

The 1990s are also a very good opportunity for the development of our country which is hard to come by in a millennium. The world pattern, which shifted from confrontation between the two superpowers to multipolarization, has provided China with more room to maneuver. The political stability and economic vitality in the Asia-Pacific region have provided China with a good international environment and an opportunity for extensive cooperation. Domestically, after three years of efforts to improve the economic environment and rectify the economic order, China now enjoys political and social stability. Its total supply and total demand are basically balanced; its economic circumstances are quite favorable; and the market order has greatly improved. As natural and human factors are in our favor, this is the right time to accelerate reform and opening to the outside world.

At present, our economic work is faced with some deep-rooted difficulties which are difficult to resolve with general methods:

The irrational economic structure. Basic industries, such as energy, transportation, communications, raw and semifinished materials, and the infrastructure are developing at a slow pace, or are "bottlenecked." The development of the service trades is unable to meet the needs of social progress, and ordinary processing enterprises have increased too quickly. Although the government has issued repeated injunctions and adopted various means to try to regulate them, the job of readjustment remains difficult because it involves the existing pattern of interests.

Some state-run enterprises have been slow in updating their equipment and technology. As a result, their products lack competitiveness; their stockpiles keep increasing. These enterprises are suffering from financial losses and are unable to pay their debts. Because their economic performance is poor, they not only are unable to accumulate funds for the state, they need a large amount of subsidies from the state.

Financially, the proportion of the revenues in the hands of the state, especially revenues in the hands of the central government, is too low. Moreover, the central government has to bear an excessive burden in price subsidies, subsidies for deficit enterprises, and for administrative expenses. As a result, its financial deficits have increased, and the pressure for a balanced expenditure and revenue has increased.

In the financial field, the scale of investment in construction has been growing too rapidly, investment has not been appropriately curbed, the investment pattern has been unreasonable, funds have been decentralized, and



there has been little control over duplicated construction projects and the import of similar equipment and technologies. As a result, pressure for inflation has not been eliminated.

In regional development, the development of the central and western parts has been quite rapid in recent years. However, development in the coastal areas has been more rapid. Therefore, if we do not take effective measures to reverse the situation, the gap between the development in the eastern and western parts will likely widen. This is not only a regional problem, it is connected with nationality unity and the strengthening of frontier defense.

The aforementioned problems do not mean that our current economic situation is more difficult than before; it is that our economic life has become more demanding on us—it demands that we change the way we think in a timely manner; that we regard commodity production, market exchange, and the law of value as natural results of economic activities; that we should regard both the market mechanism and planned regulation a result of the development of mankind's civilization; and that we should reform our economic system and economic management mechanism in accordance with objective economic laws.

Further accelerating reform and opening up is a logical development of the reform and opening up over the past 13 years. In the 1990s, depending on the development and changes in international and domestic situations, we should speed up the building of a new economic system and economic management mechanism that can adapt to the development of a socialist planned commodity economy and that can combine a planned economy and a market economy. We should further broaden the scope of opening up in a timely manner in order to increase our economic and technological cooperation and exchanges with foreign countries to a new level at an earlier date. To meet these basic requirements and to accord with actual conditions, reforms and opening up in the new stage will have these notable features:

The advancement of reforms in all fields. In the 1990s, after having seriously summed up the basic experiences of reforms in the past decade and more, we realize more clearly that economic development is a development process in which the various factors are interrelated, and are mutually curbing and interacting with each other. Therefore, reform of the economic system and economic management mechanism is naturally a systems engineering in which various factors mutually curb and stimulate each other. If a link lags behind, the entire reform will hardly yield good results. Reforms in different fields may be carried out at different times and different emphases may be given to reforms in different periods, but reform must be carried out as a whole.

Enterprises are the basic cells of the social economy. The state-run enterprises' lack of vitality is the major drawback of the old system. Urban reform should always

center on invigorating large and medium-size state-run enterprises, on transforming the enterprises' management mechanism, on pushing enterprises toward the market; and urban reform should be carried out in various fields.

There are several spheres of reforms at various levels. Within enterprises, reform of the leadership system; reform of the labor, personnel, and wage system; planning; investment; and pricing are within a small sphere. Outside enterprises, enterprise reform, transformation of governmental responsibility and function, and the formation of a market system are within a medium sphere. In the overall reform, urban and rural areas; reform of the economic, political, science and technology, and educational systems; and updating the way we think are within a large sphere.

We should storm and capture the periphery and then get to the depths. With the development of reform, all the tasks that remain to be done now involve some difficulty, and they concern to a varying degree the rights and interests of all quarters. Take the reform of enterprises, for instance. It began with giving enterprises more decision-making power and reducing their tax-payment and profit-delivery burdens. It has given enterprises greater motivation and played an important role in arousing their initiative. However, when the reform proceeds further, people will discover that the lack of vitality and motivation among enterprises is mainly due to the fact that enterprises are not yet independent producers and dealers of commodities. Therefore, how to separate government functions from enterprise management and give enterprises full decision-making power in operations is an important question in the course of deepening the reform.

To formulate and strictly implement industrial policies is an important part of the state's efforts to exercise planned regulation and the state's major measures to avoid repetitive production and construction. It is necessary to engage in production and construction strictly in accordance with industrial policies. It is necessary to adopt economic and administrative means to stop those who violate industrial policies. We should allow flexibility over microeconomic activities while exercising control over macroeconomic ones. An important feature of opening up to the outside world is that the opening up is extending from coastal regions to areas along inland rivers, border regions, and interior provinces and regions, and a pattern of multiple opening up on every side to the outside world is taking shape.

It is a magnificent task to further accelerate reform and opening up to the outside world, and it is of great significance to attain the objective. The new structure that will be created soon will give a great motivation and vitality to our economic development and render our economic development suitable to the changeable international market. It will also enable us to develop our national economy in a proportionate and coordinated way, and to avoid the disasters of anarchy. The new

structure will greatly liberate the productive forces and channel the initiative and creativity of the hundreds of millions of people to the great undertaking of benefiting China. With the new structure, there will be a reliable guarantee for our country to climb up the steps in the 1990s and ascend new heights in the 21st century. Some people at home and abroad always say that the commodity economy is incompatible with public ownership and that China's only way out is to go back to capitalism. However, the achievements we have made and our future practice will prove that China can find a socialist way that conforms to its national conditions.

After we surmount the hardships and frustrations, it will be a broad road ahead.

The people in their millions across the country should work with one heart and one mind, and take up the heavy historic responsibility of reform and opening up to the outside world of the 1990s with a keen concept of the commodity economy and the awareness of opportunity.

#### **'Very Dull' Beijing Response to Deng 'Whirlwind'**

HK0806130192 Hong Kong MING PAO in Chinese  
1 Jun 92 p 6

[By Huang He (7806 3109), Hsiao Hsing (2556 2502): "Government Officials in Beijing Do Not Know What Course To Take To Expedite Reform Because of Lack of Specific Plans"]

[Text] How on earth can China's reform and opening up be expedited? Why do some figures who represent "leftist" forces that oppose reform still hold sway [gao gao zai shang 7559 7559 0961 0006]? Why did Chen Yun appear in public on "1 May," and why did Deng Xiaoping unexpectedly inspect the Shoudu Iron and Steel Factory recently? These questions are now perplexing many government officials and intellectuals in Beijing.

"Deng's whirlwind" has been sweeping from the south to Beijing Municipality for nearly four months. The atmosphere of Beijing, China's political heart, however, is still very dull. In particular, some central organs, which are the "commands" of various departments and systems, lack vitality; and no obvious sign of big steps to expedite reform and opening up are seen in them.

So far, the central government has not had a clear and specific proposal for expediting reform. This is the main reason why so many government officials do not know what course to take. A mid-ranking government official who works in an economic department said: In the past, we had a clear principle when we implemented rural reform, for example, practicing the contract responsibility system on a household basis with remuneration linked to output and abolishing people's communes. However, regarding expediting reform, there is no proposal of comparatively unified steps, but mere calls for changing the mechanisms of state-run enterprises and gearing enterprises to the market. Crushing the "three irons" [iron ricebowl, iron-rat wages, iron armchair] was

originally intended as a breakthrough point, in the course of which people in some places committed suicide by hanging themselves or "slitting their throats" and killed their factory directors. Nevertheless, it has stopped now. People really do not know what to do now.

In the absence of overall preparation by the central authorities, it naturally happens that some government organs "take a step first." They are mainly economic departments in charge of particular trades, and most of them are doing whatever they can to invest their money, set up their "windows" in the south, or "open up resources" for themselves. They do not really play the role of someone ensuring macroeconomic regulation and control and supervision of certain economic activities across China.

Another reason for the dull atmosphere in the capital city is that some responsible government officials do not understand and resist "His Excellency Deng's" remarks and what he did during his tour of the south. At study meetings, some department and bureau cadres said publicly: Deng Xiaoping is only an ordinary party member. How is it possible that everyone across the country must follow whatever he says? If so, does this amount to "rule by man?"

Many government officials maintain that deepening reform is a huge and complicated systematic project and that this cannot be instantly achieved by mobilizing people through "a speech," as was the situation in previous campaigns. Although some responsible government officials do not publicly oppose Deng, they deliberately draw up proposals "boldly" and in "an ahead-of-time manner" when planning or working out programs for reform. They include in their plans ideas and problems which are unattainable and insoluble at the present stage, then report them to senior authorities or rather present difficulties to them. They resist Deng's remarks by doing this.

No great change has yet occurred in the capital city since Deng Xiaoping's tour of the south several months ago. Another very important reason is that high-ranking officials of the CPC and the government are still waiting and seeing. Most key party and government officials are certain that the capital city's political situation will not be clear until the 14th National Party Congress to be held this fall and until Deng Xiaoping's having finally resolved problems organizationally. In these circumstances, they simply do nothing but wait, given the fact that it is neither appropriate to do the "leftist" way or the "rightist" way.

It is said that Deng Xiaoping's recent inspection at the Shoudu Iron and Steel Factory has caused a shock among the high-ranking. People in the capital city say: His Excellency Deng is too hasty.

### Party History Export Warns Against 'Leftism'

HK0506125292 Hong Kong TA KUNG PAO in Chinese  
29 May 92 p 2

["Special Dispatch" from Beijing: "Party History Expert Liao Gailong (1675 5556 7127) Explains Why It Is Necessary To Mainly Guard Against 'Leftism'"]

[Text] Beijing, 28 May (TA KUNG PAO)—Well-known CPC historian Liao Gailong said during an interview with XIN SHIJI [NEW CENTURY] journal that historical experience proves that a campaign against rightism will inevitably lead to "leftism." As Yang Shangkun said recently, when the external environment is grim, "leftism" will come easily. The grim environment refers to the great changes in East Europe and the Soviet Union, and the economic sanctions imposed by the West. To fight against rightism under such conditions will easily lead to "leftism," and some people are prone to demand a return to the old road.

The recent issue of the XIN SHIJI monthly journal carried a report on the interview.

Liao Gailong explained why it is necessary to mainly guard against "leftism" at this time. He said that because in the past two or three years, there appeared some "leftist" things, which were characterized by the phenomenon in which some theoreticians and politicians intimidated people by pinning political labels on them. Making use of the changes in the international situation as an excuse, some people said a rehabilitation of the mistakes made by Mao Zedong in his later days was needed, and they even proposed the concept of "Later-Period Mao Zedong Thought." Some people said it was necessary to have a new understanding of Mao Zedong's ideas on class struggle and anti-revisionism which he had proposed during his later days.

Liao Gailong said that the proposal on having a new understanding of the class struggle idea which Mao Zedong proposed in his later days was to rehabilitate the "leftist" mistakes he made in his later days concerning the most crucial problems, to repudiate the decision reached at the Sixth Plenary Session of the 11th CPC Central Committee, and to ask us to return to the old road of "leftist" mistakes made by Mao Zedong during his later days.

He also said some people had perceived the current situation as modern revisionism wanting to take charge, or the trend of thought of bourgeois liberalization wanting to take charge. They said the trend of thought of revisionism in the international community had run rampant in recent years, and the trend of thought of bourgeois liberalization at home had run rampant too, he added. According to their saying, we are on the eve of a campaign against the rightist faction or of the "Great Cultural Revolution", and this is also the use of political labels to intimidate people.

He said: We must analyze the great changes in the Soviet Union and East Europe. Just as Comrade Xiaoping said, because things inside the Communist Party were not run well, problems arose. I think we should first blame the old political systems in these countries, that is, the old socialist model which was despotic against the people. Upholding this old system and old mechanism and not carrying out radical reform is a dead end. This was a failure of the model of Stalin's dogmatism. The next thing to blame is the wrong direction of the reforms in these countries. What can enlighten the later starters is the road of reform and opening up chosen by the CPC. Completely reforming the old system—which did not suit the development of productive forces—so as to liberate productive forces, is the road of socialism with Chinese characteristics.

He said the allegation that the trend of thought of bourgeois liberalization had run rampant at home in recent years was not true. Even at the time of the 1989 political storm, those who advocated the bourgeois road and complete Westernization were only a very small minority. At that time, the broad masses of students and people truly supported socialism, CPC leadership, and reform. However, they adopted the methods which resembled the "four big's" in the Cultural Revolution, and the outcome was a contradiction to the subjective wishes of the broad masses of students and people. It was a turmoil.

Liao Gailong said that what is capable of toppling our party and country is the idea urging us to abandon the political line of pursuing socialist modernization construction and reform and opening up with all our strength, and to return to the old road of extreme "leftism." This is the real danger, he said.

Finally, he said: I think we must first liberate ourselves from the intimidation of the political labels characteristic of leftism, and from the "leftist" dogmatism because those things are the biggest obstacles to our effort to beef up and expedite the reform and opening up. In addition, we must liberate ourselves from the old and new dogmatisms because what they cite are nothing more than the "leftist" dogmatisms proposed by Stalin or Mao Zedong during their later days. By so doing, we can break the boredom in the theoretical and ideological circles, and provide theoretical guidance and a policy basis for reform and opening up.

### Part Four of 'Decade of Upsurge' TV Series

OW3105132092 Beijing Central Television Program  
One Network in Mandarin 1150 GMT 28 May 92

[Documentary: "Heading Toward a New Century"; Part Four of four-part series entitled "Decade of Upsurge"; filmed and produced by Xianke Laser Television Company, BAN YUE TAN, GUANGMING RIBAO, and Central Television Station in May 1992; part 3 was published in the 8 June DAILY REPORT on pages 29-33]



[Text] Karl Marx wisely predicted over a century ago that production and consumption in all countries would become global as a result of worldwide market exploration. [video shows head shots of Marx] In fact, the history of survival and development of any nation is invariably infiltrated with civilizations of various other nations in the world. [video shows montage of Roman soldiers fighting on horseback, ruins of a pantheon, and stone carvings of Greek soldiers]

Beginning in 200 B.C., the 7,000-km Silk Road, which reached all the way to the east coast of the Mediterranean Sea through the western part of China and Central Asia and which continued to exist for over 1,000 years, was without a doubt an incomparable link connecting the two major civilizations of the East and the West in ancient and medieval times. [video shows montage of map showing Silk Road and the silhouette of a caravan] The uniquely prestigious Han and Tang Dynasties of ancient China embraced the Indian, Arabian, and the Mediterranean civilizations with broadmindedness. [video shows continuous scenes of a weathered brick wall]

Regrettably, people in China became an ignorant people as a result of the Qing Dynasty's policy of national isolation, which lasted over 200 years from the Kangxi era to the Opium War. [video pans, from left to right, to show various parts of the Forbidden City in Beijing]

The world today is an open world in which economic lives have become internationalized. In the face of the world's new political and economic patterns, Deng Xiaoping scientifically stated that to achieve the four modernizations, the peoples of China and other countries should encourage one another so we can negate our shortcomings with other peoples' strengths and bring out our best. He also admonished the Chinese people that China's development cannot be independent from the world. Thus, beginning in the late 1970's, China, an ancient civilization in the East, once again opened its dusty and cobwebbed windows for people from throughout the world. [video shows montage of machinery in motion, the legs of people hurrying or disco-dancing on pavements, simulated scenes of spacecraft traveling in space, and silhouette of medieval Chinese astronomical equipment and the Chinese characters reading: "Decade of Upsurge" and "Heading Toward a New Century"]

This is Man Kum To in Shenzhen. What a busy customs station! [video shows high-angle view of a border town with many trucks in the foreground and a multi-story building in the background, cutting to show 10-wheel trucks' passing checkpoints one after another] Through these checkpoints, Shenzhen, the site for experimental reforms in China, suddenly becomes a colorful city with great diversity. Once China opened its doors to the outside world, China's reform and opening up programs proceeded by leaps and bounds.

Deng Xiaoping clearly pointed out as early as September 1978 that China should develop economic relations and trade with capitalist countries and that China should even set up joint ventures with foreign investors. In December 1978, he once again stressed that China should concentrate its efforts on drawing up all kinds of necessary laws, such as the law governing foreign investment, and so forth. [video shows footage of Deng Xiaoping making an inspection tour on an electric subway vehicle, cutting to show the interior of an auto plant in which automobile bodies are being welded by robots, cutting back to show Deng Xiaoping examining some high-tech equipment, shots of automated equipment making electronics parts, and the interior of a busy terminal]

British scholar Paul Harrison once described the process of economic growth as a historical tunnel. To pass through this tunnel, he said, one must go through a long and painful process. [video shows a smiling young Caucasian father carry his infant son on his shoulder, smiling children clapping, soldiers playing musical instruments and firing cannon and rifles, a black athlete performing in the long jump, and a train rushing toward the camera]

On 15 July 1979, the CPC Central Committee and the State Council expeditiously approved the report about authorizing Guangdong and Fujian provinces to adopt special policies and flexible measures in promoting economic relations with foreign countries and deciding to establish four special economic zones—Shenzhen, Zhuhai, Shantou, and Xiamen. That was a brave strategic decision to open up the country to the outside world. [video shows montage of an express train and printed "Regulations for the Guangdong Special Economic Zone"]

In just a few years, Shenzhen, formerly a small border town separated from Hong Kong only by a river, has developed itself from a piece of wasteland into a modern business city with prosperity comparable to that of Hong Kong. Shenzhen's developers have created the famous "Shenzhen speed" with which they accomplish their tasks. Even punctilious Japanese businessmen praisingly predict that that such legendary speed will go down in history. [video shows a terminal-like building reading "Shenzhen" at the top, cutting to show Shenzhen's skyline of highrises and buildings under construction]

From 26 March to 6 April 1984, the CPC Central Committee Secretariat and the State Council cosponsored a forum to discuss affairs regarding coastal cities. The attendees at the forum decided to open 14 port cities—Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, and Beihai—to the outside world. This coastal belt created the first opening-up upsurge. [video shows aerial view of Shenzhen, sketch drawing indicating locations of China's open coastal cities, a sizable construction project, and a jet plane taking off from a runway]

In February 1985, the Changjiang delta, the Zhujiang delta, and the triangular Zhangzhou-Quanzhou-Xiamen region in southern Fujian were designated as coastal development zones opening to internal and external exchange and integrating cities and countryside. The objective was to promote economic development in the hinterland. That created the second opening-up upsurge. [video shows aerial view of cities by the Chang Jiang and montage of a jet plane and aerial views of some cities]

In spring 1988, the central authorities drew up a new strategy for economic development of coastal areas. It was characterized by exporting more goods to foreign countries and importing more raw materials from foreign countries. They also decided to upgrade Hainan to a province and authorized it to set up a large special economic zone. That gave rise to the third opening-up upsurge. [video shows huge explosions at unidentified construction sites, earthmover operating at a construction site, and a jet plane taking off from a runway]

Later, central authorities also planned to turn Shanghai's Pudong District into a developmental zone, join the northeast Asian economic circle, and develop economic relations and trade with East European countries. By then, a multidirectional and multilevel periphery fanning out from southern and eastern China along the coast to the hinterland in the west and the north had taken shape. [video shows boats on a river, ships mooring at berths, a montage of a seaport and a sketching instrument drawing arcs, and montage of pyramids, camels, and mosque-shaped buildings]

Deng Xiaoping repeatedly stressed that coastal areas should act quickly with daring in opening themselves up to the outside world and should by no means miss the opportunities. From then on, the Chinese people, after suffering the pains of having been humiliated for a century, started to head toward the world proudly with huge strides, unprecedented courage, and ample confidence. [video shows close-ups of Deng Xiaoping, followed by wife Zhuo Lin, shaking hands with some local officials and making comments; shots of tall buildings in Shenzhen; and a jet plane taking off from a runway]

In developed countries of the West, automobiles have long been a primary commodity in people's modern living. But the incident of the Beijing Jeep Corporation, which was the media's oft-discussed topic, may be able to summarize all the pains China has gone through in opening up to the outside world. [video shows sketch of a sedan seen from different angles and a jeep being driven with great agility on a dirt road, in wooded areas, and across a stony brook, shallow rivers, riverbeds, and rugged hilly areas]

In early 1983, Beijing Motors and American Motors began to negotiate to set up a joint venture. The negotiations lasted a full five years, and progress of the

project—Beijing Jeep Corp. Ltd.—was seriously hindered by numerous consultations, red tape, and restrictions from the conventional rules and traditional concepts. These things not only affected the fate of a joint venture but also the credibility of China regarding joint ventures and an open policy. The problem was not resolved until the highest level Chinese and American leaders—including Tian Jiyun, Chen Muhua, George Bush, and James Baker—came forward to intervene. In October 1988, Lee Iaccoca, chairman of the U.S. side, came all the way from the United States to visit the Beijing Jeep Corp. Ltd. After the visit, he sighed: I have the feeling that I am making history. [video shows the facade of a "negotiations building" and shots of round-table negotiations between Chinese and American negotiators, Chinese workers working on a jeep and some electronics equipment, workers at the task of automobile assembly, and Iaccoca touring a plant]

A similar ludicrous incident also occurred in Qinhua-ngdao City. To set up a joint venture, two automobiles was used for the sole purpose of having documents officially stamped by numerous authorities concerned. But even when the documents were eventually stamped—for a total of 201 times and at the high cost of 70,000 yuan—the formalities were still not yet completed! [video shows a television commercial touting the agility and functions of some small sedans]

Although some people jokingly called the 22-article regulations—which the State Council promptly promulgated for encouraging foreign investment—as military rules, they were repeatedly acclaimed by an overwhelming majority of foreign investors. [video shows arrival of foreign businessmen and close-ups of their faces]

Deng Xiaoping firmly pointed out: We cannot possibly achieve our first-step and second-step objectives without opening up to the outside world, promoting international contacts, or bringing in developed countries' advanced experiences, modern science and technology, and money. We cannot afford to close our doors. [video shows footage of Deng Xiaoping conversing with an unidentified foreign visitor through interpreters]

Commercials are not just a means of promoting commodity consumption in the information age but are also used as an indispensable tool for political propaganda and agitation in the West. In China, commercials also reflect the degree of its openness. There are no regulations governing advertisements in China, but everyone seems to understand what commercials are. A few years ago, billboards were not allowed in this world-famous long street, because it was near China's political center. [video shows Beijing's Changan Street] Now, things have changed with the passage of time. Who can prevent the use of commercials in a society engaged in developing a commodity economy?

In mid-June 1987, Beijing's Third World Advertisement Conference was held at the Great Hall of the People

alongside old Changan Street. The words spoken by Mr. (Goddard) of the United States, the co-chairman of the conference, were very meaningful. He said that this grand meeting held at the Great Hall of the People was of special significance. It indicated the continuity of China's policy of opening up and its determination to realize modernization via trade and joint ventures. [video shows Wan Li delivering a speech at the conference]

In 1991, the economy of Guangdong Province, China's vanguard province of opening to the outside, grew by 20.2 percent, surpassing the economic growth rate of any other country and region in the world. People from economic circles in the West exclaimed with admiration: China's Guangdong Province will soon become Asia's fifth dragon, following South Korea, Taiwan, Hong Kong, and Singapore. [video shows high-rise buildings in Guangzhou] A good investment environment has taken shape in Xiamen, an island city opposite Taiwan, since an special economic zone was set up there 10 years ago. The city has approved 1,075 foreign investment contracts with pledged investments worth \$3.055 billion. Some 648 joint ventures, cooperative enterprises, and foreign-owned enterprises [three-capital enterprises] have gone into operation. [video shows an aerial view of Xiamen]

Time passes quickly. By the end of 1991, 37,215 Chinese-foreign joint ventures, cooperative enterprises, and foreign-owned enterprises had been registered in China, with registered capital amounting to \$4.6 billion. Therefore, three-capital enterprises have spread like stars in China's coastal cities, large and small.

To recall the past is embarrassing, but daring to recall the past is the embodiment of confidence. In 1955, China's GNP accounted for 4.7 percent of the world's, but in 1988 it dropped to 2.5 percent. In 1960, China's total social output was roughly equivalent to that of Japan's. It was one-fourth of Japan's in 1980, and it further declined to one-fifth of Japan's in 1985.

Since the end of World War II, the world economy has undergone three large-scale industrial readjustments. The first adjustment began in 1956 and ended in 1960. Seizing the opportunity, Japan and Federal Germany rose from the ruins of war and quickly became economic powers, while China craved to hastily rush into communism. The second readjustment lasted from 1968 to 1972. Asia's four dragons, swimming in the ocean of the world economy, made outstanding achievements in upgrading their economies, while China shut itself up behind closed doors and launched an unprecedented Great Cultural Revolution. The third readjustment in the world economy began in 1986. As labor-intensive enterprises were shifting their production bases, China, seizing the opportunity, bravely participated in the international cycle by relying on its abundant labor.

In the view of (Rossiter), an American expert on Asian economic affairs, the economic development of

humanity can be divided into five stages—namely, the stage of traditional society, the preparatory stage for takeoff, the stage of economic takeoff, the stage of fast growth, and the stage of popular consumption. Later, he added the stage of pursuing quality of life. In a press interview in 1983, he said: In Asia, where modern industrial civilization has arrived belatedly, Japan, as the first country to take off, is already flying high and far; the four small dragons of Asia, the second group to take off, are accelerating toward the blue skies with great momentum; and China, as Asia's third flier, will take off very soon. The decade-long reform and opening to the outside world has, without doubt, pushed the Chinese economy to the critical point of takeoff. [video shows airplanes taking off and in flight]

According to economists of the former Soviet Union, China's economic reform is undoubtedly the most amazing miracle in global economic development in the 1980's. China's economic growth rate has tripled the average global growth rate during the same period. In a report entitled "China, a New Land of the Rising Sun," Britain's DAILY TELEGRAPH wrote with profound feeling: The thought of China, a country with more than 1 billion people, becoming rejuvenated and realizing industrialization will make Western industrialists panic. This huge and yet rather mystic country is not only a future market but also a formidable competitor. In fact, Napoleon, the celebrated hero of the last century, put it even more bluntly: China is a sleeping lion. Let it sleep, because once it wakes up, it will rock the world.

History and reality have time and again proved the wisdom of the Chinese people. It goes without saying that our ancestors once created the splendid civilization of mankind. (Morgan), a news commentator of Britain's INDEPENDENT, has predicted that Japan's Tokyo will be the world's economic center in the year 2000, while the world's economic capital will be located in China in the year 2050.

The industrialization of economic life is an objective trend in the development of modern civilization. With the rise of a new round of global technological revolutions, the socialization of productive forces will definitely break [words indistinct] the narrow boundary of a region, country, ideology, or value concept, and will push the economic activities of modern society further into a grand international arena. [video shows shots of factory workers operating machines in various countries]

Today the Pacific region has joined the world's top ranks in terms of science and technology. The latest technological revolution has provided a great opportunity for the Asia-Pacific region to reform its industrial structure. Many economists in the world are convinced beyond doubt that as we continue to approach the year 2000, Asia will surpass the United States and Europe to become the most watchable economic entity in the world. The 21st century will be the century of the Asia-Pacific region. The Pacific region has risen to increasingly become the focus of global markets. The



booming economic situation in the pan-Pacific region is bound to become one of the most significant events in the development of future history of humanity.

China, located on the vertical axis of the Pacific region, has become a leading member of the strategic economic sphere of the Asia-Pacific region. Blessed with a favorable geographical location and a long coast, China will have a splendid future if it can grasp the opportunity to import advanced science and technology in developing off-shore petroleum basins for cultivating vital industries. [video shows shots of operations at one of China's off-shore oil rigs]

It took Japan only 20 years to complete the Meiji Reformation. It was also a matter of just 20 years for China's Taiwan to develop its regional economy. China has missed many historic opportunities for development. The next 10, 20, and 50 years will be extremely valuable and crucial to the Chinese people. [video shows shots of Japanese workers smelting iron and of skyscrapers in Taiwan]

At a rally commemorating the 80th anniversary of the 1911 Revolution on 9 October 1991, PRC President Yang Shangkun exhorted our compatriots: We must continually attend to the task of economic construction in the next 10-20 years, and work in other fields must serve and be subordinate to the central task of economic construction. He went further to state firmly: There are risks in reform, but we are capable of taking risks. Stagnation or even regression has absolutely no future. It has only been a decade or so since we implemented the line adopted by the Third Plenary Session of the 11th CPC Central Committee. If we continue to adhere to this line for 20 years, 30 years, 50 years, and forever, China's outlook will undergo tremendous changes. [video shows footage of the rally marking the 1911 revolution anniversary, focusing on Yang Shangkun delivering the keynote speech, cutting to show closeup shots of Jiang Zemin, Li Peng, and Wan Li]

The curtains will soon be lowered on the 20th century, and the early sun of a new century is peeking through our windows. The future will impose challenges on us. Qian Xuesen, the distinguished scientist, has pointed out: In the next century, China should develop agricultural undertakings requiring highly intensive knowledge and, at the same time, ride on the waves of the fourth industrial revolution to strive to catch up with the fifth and prepare for the sixth, trying to complete these three industrial revolutions in one stroke. The tasks will be extremely arduous. Each and every Chinese citizen is confronted with this historic and inescapable choice of epoch-making significance. The Chinese people must exert themselves amid misery and hardship. As a late starter, we should work 100 times harder. History has destined our generation to be one of courageous struggles, hardships, dedication, and advances via an enterprising spirit. [video shows a rising sun and file footage of a ceremony to award honorific title to scientist Qian

Xuesen, cutting to show closeup shots of Jiang Zemin and Li Peng speaking at the ceremony]

One has to grope for stones in crossing a river. Groping for more than a decade, we can very well say that we have found the stones and identified the direction for crossing the river. Deng Xiaoping, showing great foresight, has pointed out: Revolution aims to liberate productive forces, and so does reform. The basic line of one center and two basic points should be adhered to for 100 years. [video shows people fording a river]

This is the only way for the Chinese nation to wake up from suffering and advance toward prosperity, democracy, and civility in the same stroke with the rest of the world. [Video shows surging waves; footage of Deng Xiaoping seated and speaking to a crowd of journalists; his remarks are captioned on the screen: "China has no future unless it practices socialism, carries out reform, opens itself to the outside world, develops its economy, and improves its people's livelihood"; video cuts to show a rising sun and various facets of Chinese landscape and life, as well as verses of a poem that reads: "We till the land and harvest an ideal. We raise our sail in pursuit of tomorrow's hopes. Alas, a cherished dream of 5,000 years has inspired 1 billion people, who travel at double speed and are weather-beaten. Without deep sighs of a long eulogy, without wavering and sorrow, we use the blood of the Huang He and the ridge of the Great Walls to hold up a fresh sun!"]

#### **Li Peng Hails Baoji-Chengdu Railway Reopening**

HK0406074792 Xi'an Shaanxi People's Radio Network in Mandarin 0030 GMT 29 May 92

[Text] On the morning of 28 May, Premier Li Peng, after learning of the Baoji-Chengdu railroad's reopening to traffic, called the Ministry of Railroads to acclaim the resumption of the railroad service and to extend kind regards to personnel of the Railroads Ministry and its relevant branches who had rushed to deal with the emergency.

Premier Li Peng hoped that railroad workers and staff concerned would continue to work hard to ensure smooth operation of the railroad.

The Railroads Ministry also sent a congratulatory message to railroad workers and staff who had helped handle the emergency. Railroads Minister Li Senmao called on the Zhengzhou Railway Bureau and Xi'an Railway Branch to continue reinforcing the road bed to ensure unimpeded operation of the Baoji-Chengdu railroad.

#### **Rural Ideological Education Uses Deng Remarks**

HK0806064492 Beijing RENMIN RIBAO in Chinese 25 May 92 pp 1, 2

[Report: "New Situation Emerges in Rural Socialist Ideological Education Enabling People To Concentrate Efforts on Achieving Well-Off Living Standard"]

[Text] This reporter learned this news from relevant departments: Since the coming of spring this year, all localities have studied Comrade Deng Xiaoping's important remarks on his southern tour and the spirit of the CPC Central Committee Political Bureau plenary session, and applied them to guiding current socialist ideological education work in rural areas. By so doing, rural socialist ideological education activities throughout the country have developed more healthily and taken on a new aspect.

#### **Applying the Spirit of Comrade Deng Xiaoping's Remarks to Arming Cadres and Masses**

After studying Comrade Deng Xiaoping's important remarks, rural socialist ideological education leading groups in provinces such as Guangdong, Hunan, Shaanxi, Fujian, Anhui, Shanxi, Sichuan, Inner Mongolia Autonomous Region, and Shanghai Municipality, under their respective party committees, have successively held meetings or issued circulars urging all localities to study and implement the spirit of Comrade Xiaoping's remarks throughout the entire process of rural socialist ideological education, and to push grass-roots cadres and the broad masses in rural areas to further emancipate their minds, concentrate their energy on realizing the goal of moving toward a well-off living standard, and construct new socialist rural areas under the guidance of the party's basic line.

All localities have designated programs to organize vast numbers of party members and grass-roots cadres to conscientiously study and implement the spirit of Comrade Xiaoping's important remarks as the principal substance of educational activities, and publicized and explained them among the broad masses. Through study and education, the masses' understanding of the basic party line of "one center, two basic points" has been deepened, and their confidence in reform, opening up, and faster economic development has been strengthened. While relaying and studying the remarks, Guangdong has repeatedly assured the rural masses that there will be no change in all basic party policies in rural areas, urged grass-roots units to cast away unnecessary misgivings about the issue of whether an undertaking is socialist or capitalist in nature, and encouraged them to try bold measures, as long as the measures taken help develop a socialist society's productive forces, enhance a socialist country's overall national strength, and improve people's living standard.

Many areas have specifically arranged a period of time to concentrate on studying Comrade Xiaoping's important remarks so as to get a good grasp of problems one by one. Long Xian County, Shaanxi Province, has related the study to five realities and clarified five arguments: It has related the study to the development of townships and villages since the implementation of the contract responsibility system on a household basis with remuneration linked to output, and clarified the argument of firmly grasping the basic party line for 100 years without vacillation; to local typical cases of making households

prosperous and clarified the necessity of implementing reform and opening up more boldly and daring to carry out experiments; to real conditions of impoverished villages and households, and clarified the principle that the basic task of socialism is to develop productive forces; to harmful consequences brought about by stressing material progress at the expense of cultural and ideological progress, and clarified the argument that we should simultaneously do two types of work with equal emphasis; and to the domestic and international situation, and clarified the argument that a political line must be guaranteed by an organizational line. The minds of cadres and the masses have been vigorously emancipated through thorough propaganda and explanation taking account of the real circumstances.

A lot of provinces and cities have launched massive discussions on "emancipating the mind and moving toward well-off living standards." Cadres and the masses have been induced to break the trammels of certain "leftist" ideology, shake off the yoke of small-production ideology and force of habit, further strengthen their consciousness of reform and opening up, and enhance their sense of commodity economy. Some peasants in some areas in Fujian Province have felt satisfied with the current situation after "getting a little richer." To counter this state of mind, those areas have emphatically elaborated the magnificent goal of the Eighth Five-Year Plan and the 10-Year Program and showed people the bright prospects for constructing new socialist rural areas, helped cadres and the masses discover their weakness as compared with others, and implemented programs and measures to advance to a new stage and strive for well-off living standards. Jirem Meng, Inner Mongolia, has organized discussions strictly in light of reality, let model well-off households share their experience in getting rich, and selected representative households to demonstrate well-off living standard programs. With regard to peasants and herdsmen, efforts have been made to work out detailed plans and find out their deficiencies as compared with others. Each household's development objectives and measures have been set in accordance with its own specialty.

#### **Centering Around Economic Construction in Accelerating In-Depth Rural Reform**

All localities have further defined the guiding ideology of educational activities and worked persistently with the focus on the center of economic construction, enabling rural socialist ideological education to vigorously accelerate in-depth rural reform and every rural policy implementation and to give impetus to further liberation and development of social productive forces.

With regard to rural socialist ideological education, the CPC Central Committee has expressly pointed out from the outset that educational activities must be unremittingly focused on the center of economic construction to accelerate in-depth rural reform. All localities have held firm to this guiding ideology by studying Comrade

Xiaoping's recent important remarks, and the implementation of the spirit of Comrade Xiaoping's remarks in educational activities has generally been regarded as the basic measure for promoting rural economic development and in-depth rural reform. Qinghai Provincial CPC Committee has examined each and every policy adopted for deepening reform, boldly taken and popularized measures and methods proved by practice to be conducive to the development of productive forces, and resolutely smashed the trammels hindering the development of productive forces; it has also stated that fulfillment of each and every economic construction target must be regarded as an important criterion for assessing rural socialist ideological education. Henan Provincial CPC Committee has urged that in implementing and relating the spirit of Comrade Xiaoping to reality, all localities in the province must be adept at discovering typical cases with outstanding achievements in expediting reform and opening up, developing the economy, relying on science and technology to develop productive forces, upholding the principle of doing two types of work simultaneously, and so on; at summing up their experience; and at popularizing it vigorously.

In conducting educational activities, all localities have not only taken heed of the necessity of maintaining the stability of basic policies, but also paid attention to the need to creatively solve new problems arising from rural construction and reform in accordance with practical development. Yunnan Provincial CPC Committee has solved three key problems in accordance with the objective needs of rural economic development: First, it has stabilized and implemented the contract responsibility system on a household basis with remuneration linked to output, and perfected the contracts and service system; second, it has grasped production and distribution simultaneously; third, it has paid close attention to township and town enterprises and enhanced the collective economic strength. All localities have also paid special attention to the necessity of grasping current agricultural production well, and implemented all measures with a view to reaping a bumper harvest this year. Shuyang County, Jiangsu Province, has paid attention to the practice of combining rural socialist ideological education with work of helping the poor, thus facilitating changes in the backward appearance of impoverished areas.

All areas have also upheld the principle of doing two types of work simultaneously, strived to lay equal emphasis on both types, and vigorously promoted socialist cultural and ideological progress. Localities such as Suizhou City of Hubei, Lanzhou City of Gansu, and Xinxiang and Shangqiu of Henan have achieved good results in launching extensive activities in rural areas to strive to create "10-merit peasant households" (10-star-class civilized households). The criteria for 10-merit peasant households are: Good political ideology, strict observance of the law, good family planning, good application of science and technology, getting rich through hard work, paying attention to culture and

education, good performance in transforming social customs, good family relationships, good neighborhood, and good environmental sanitation. Twenty thousand "10-merit peasant households" have been elected in Suizhou City. This practice has brought about an improvement in the rural social atmosphere and rural society's overall progress.

**Localities Have Integrated Theory With Practice To Do Practical Work More Frequently and Solve in a Down-to-Earth Manner Issues That the Masses Are Most Concerned About**

In rural socialist ideological education, all localities have conscientiously implemented what Comrade Xiaoping urged in his important remarks on vigorous prevention of formalism, held on to the principle of indulging less in idle talk and doing more practical work, and conscientiously solved prominent problems which have vehemently been reflected by the masses and which affect local rural reform and development. The work style of cadres working and living in rural areas has become more thorough and meticulous.

Shanxi Province has mainly solved four kinds of problems: First, it has solved problems caused by cadres' abuse of power for self-interest and by leading groups' incompetence and lax discipline. Second, it has solved problems caused by chaotic financial management. Sixty percent of villages selected for financial rectification in the province have straightened out collective finance. Through financial clean-up operations, they have defended the collective economy, helped and educated cadres, and built closer relations between cadres and the masses. The masses have vividly said: "Financial clean-up has cleaned up cadre bodies, dispelled the masses' grievances, and exposed those involved in malpractices." Third, it has solved problems related to all kinds of disputes over contracts. At present, selected villages for socialist ideological education in the province have already settled 11,517 contracts of all kinds, and basically satisfied collective economic units, contractors, and the masses. Fourth, it has solved problems of public security, and paid special attention to education on socialist democracy and the legal system. Work personnel transferred from public security and judicial departments, procuratorates, and law courts have been detailed to work in villages with relatively chaotic social order. In educational activities organized last winter, Jiuquan City of Gansu signed 100,000 well-completed contracts with peasant households, repaved 200 km of highway, rebuilt 300 km of farmland irrigation ditches, dug and rebuilt 25 motor-pumped wells, and helped the masses purchase 21,000 metric tons of chemical fertilizers and 84 metric tons of plastic sheeting, bringing about a great advance in agricultural production. There are over 7,000 peasants in the whole area applying for admission to the CPC and the CYL.

A number of localities have firmly grasped the construction of the service system in accordance with the needs of developing the commodity economy in rural areas. In



Lichuan County, Jiangxi Province, 48 units with better economic conditions have been selected to link up with villages launching educational activities. These units have successively dispatched more than 80 cadres to assist those villages in their work. In this regard, 65 economic development projects have been launched, and 134,000 yuan has been invested as initial funds. In this way, the development of the village-level collective economy has been effectively promoted. In Wutan town, Sichuan Province, agricultural technological schools and service centres, and reserve fund groups for helping the poor have been successively established in 14 villages, which are provided with "four types of backbone technical personnel," namely personnel specialized in silk-worm breeding, agricultural technology, water conservancy, and growing fruit trees. Meanwhile, supported by supply and marketing cooperatives, "double agents [shuang dai dian 7175 0108 1648]" in those villages have been transformed into village-level comprehensive service stations to offer capital, technology, and comprehensive material services in accordance with peasants' needs.

**Localities Have Continued To Grasp Well the Key Task of Accomplishing Coordinated Construction of Village-Level Organizations With Party Branches as the Core**

All localities have implemented Comrade Xiaoping's important remarks. In rural socialist ideological education, they have continued to stress the construction of grass-roots organizations with party branches as the core to organizationally ensure the implementation of the basic party line.

Shanghai Municipality has taken a series of concrete steps toward strengthening the construction of rural grass-roots organizations and the contingent of village cadres, enhancing rural grass-roots members' and cadres' sense of responsibility and devotion to their work, upgrading village cadres' quality, and stabilizing the contingent of village cadres. Having been rectified, replenished, and improved, village-level leading groups in some backward and economically weak villages in particular have undergone changes to varying degrees.

Upholding the principle of stressing both ability and political integrity, Jiangsu Province has selected and promoted to leading posts those outstanding qualified personnel with dedicated minds, a spirit of exploration, consciousness of common prosperity, and strong management and coordination capability. Meanwhile, incompetent secretaries of party branches have been demoted. For villages in which appropriate appointees cannot be found in a short time, such forms as interchange, appointees dispatched from senior authorities, and return of personnel formerly occupying posts have been adopted to fill party branch secretary vacancies. Every party branch has also selected one or two additional cadres.

In launching rural socialist ideological education, all localities have taken notice that they must firmly rely on

local party organizations to carry out work and give full play to the party branches' fighting force role and CPC members' exemplary vanguard role. In this way, the appearance of a large number of backward party branches has changed, and party branches' combat strength and cohesiveness have been markedly enhanced. Through educational activities, the mental outlook of Mirui township of Nyingchi County in the Tibet Autonomous Region has changed a lot, and the overwhelming majority of CPC members there have managed to work in an energetic manner and given play to their exemplary vanguard role in a better way. The township has also recruited 11 new CPC members and 63 new CYL members, thus strengthening the contingent of CPC and CYL members. To improve the combat strength of every village-level organization, this township has also given cadres training in their sense of on-the-job responsibility, straightened out relations between all village-level organizations, made clear individual responsibility, and established and perfected various rules and regulations, thus improving grass-roots organizations' combat strength and grass-roots cadres' quality.

**Propaganda Official Urges Focus on Economic Work**

HK0106102992 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 25 May 92

[Excerpts] Xu Weicheng, CPC Central Committee Propaganda Department deputy director, held talks with comrades in charge of seven Southwest provinces and regions at a forum held in Lanzhou yesterday afternoon.

At the forum, Xu Weicheng emphatically stated: Propaganda work must actively serve economic construction. All comrades concerned must see to it that propaganda work is geared to reform, opening up, and economic construction and is capable of providing accurate and urgently needed information to the broad masses of people, thus contributing to economic construction. [passage omitted]

Speaking of successfully carrying out ideological and political work, Xu Weicheng noted: Comrade Deng Xiaoping has taken the lead and set us an excellent example in successfully carrying out ideological and political work. His speeches have convinced many people. We must learn to successfully carry out ideological and political work.

Yesterday morning, Deputy Director Xu Weicheng also visited the provincial museum and made a sightseeing tour around Lanzhou City.

**Military**

**'Secret' Report Says 'Far Fewer Troops' in Tibet**

HK0806012892 Hong Kong SOUTH CHINA MORNING POST in English 8 Jun 92 p 9

[By Jasper Becker]



[Text] China has far fewer troops stationed in Tibet than most observers have reported until now.

A copy of a secret document smuggled out of China puts the total strength of its military forces in the Tibet military region at just over 40,000 troops, including units of the People's Armed Police.

In the past most observers have believed that China had as many as 250,000 troops stationed in the Tibet Autonomous Region to guard its "strategic" frontier with India and control its rebellious population.

The Dalai Lama's government-in-exile has sometimes used this figure to bolster its demands for the "demilitarisation" of Tibet while the Indian Government has felt it necessary to keep a large number of troops on its border with China.

The internal party document, written in July 1990, asserts that it is the Indians who have 240,000 men on the border facing China.

This gives the Indians a numerical superiority in terms of combat troops as much as 6.4:1.

The document is a report made during an inspection tour to Tibet by party leader Mr Jiang Zemin and the chief of staff of the People's Liberation Army, Mr Chi Haotian.

It lists the troops India has in the border areas: three armies, nine divisions, 24 brigades, 11 airborne units, 400 aircraft, 90 tanks as well as 21 battalions of local troops and 10,000 troops composed of ethnic Tibetans.

In contrast, the Tibet military district has two mountain infantry brigades, 13 construction regiments and 65 People's Armed Police units.

A border of 3,153 kilometres is patrolled by 8,400 men, located at 78 points.

In Lhasa itself, there is only one motorised infantry regiment and four "special units."

These were insufficient to establish martial law in 1989.

The report said that a mountain infantry brigade was brought from Linzhi, 400 kilometres away, and the 149th airborne division was flown in from Sichuan.

The report highlights the difficulties China has in establishing a stronger military presence in Tibet.

The high altitude, terrible climate and problems with transport, communication and logistics make conditions "hard and bitter".

When serious fighting broke out with Indian troops in April 1987, party officials in Lhasa had to provide and organise 200 vehicles and 4,700 workers to support the Army.

Discipline is also poor or, as the report puts it, "the work style is not very deep or very fine".

In one border regiment an officer tortured one or more of his men to death in an incident which required the attention of Mr Jiang himself.

Despite the numerous problems, the report claims that the Army is successfully countering the "nibbling silk worm strategy" of India.

Each side sends patrols in the disputed areas especially in the eastern sector in a game of dare to try and establish control over the disputed area.

The report cites 42 incursions by the Indians between 1986 and 1990 and boasts that China had gained 600 square kilometres of territory in that period.

### Deng Xiaoping Calls For Military Self-Reliance

HK0806105192 Hong Kong CHENG MING in Chinese  
No 176, 1 Jun 92 p 96

[Article from "Reference News" column by Ma Hsin (7456 2450): "Deng Xiaoping Does Not Want To Buy Old Soviet-Made Weapons"]

[Text] Deng Xiaoping inspected a naval base in Tianjin in mid-April and said to the leaders of the city: "Tianjin produces educated men of action; Hu Qili and Li Ruihuan are from Tianjin." He also received the persons in charge of the East Sea Fleet, the South Sea Fleet, the North Sea Fleet, and naval academies who were attending a naval conference in Tianjin. Deng said: "The Army must reduce itself, the outdated and backward ships must be sent back to the furnace, and the Navy must develop in the direction of modernization characterized by high-grade, precision, and advanced equipment; I told Yang Shangkun, Chi Haotian, and Ding Henggao [minister of Commission of Science, Technology, and Industry for National Defense] that we will not buy the old ships made in the 1960s and 1970s; spending money to buy the old and backward things from others is not as good as using the funds from the reduction to add some new, advanced, and high-tech military technology projects; we must rely on our own equipment." According to information, Deng Xiaoping is opposed to buying ships made in the 1950s and 1960s by the former Soviet Union, now the Commonwealth of Independent States. Deng said to Ding Henggao: "We must rely on ourselves when developing and improving our military equipment and weapons, otherwise we will be held by others and unable to move."

### Economic & Agricultural

#### Central Committee Gives 30 Cities SEZ Policies

HK0406032192 Hong Kong THE STANDARD  
in English 4 Jun 92 p A-1

[By Cheung Po-ling]

[Text] The Chinese Communist Party Central Committee has directed that economic policies enjoyed by the special economic zones should be extended to another 30 municipalities.

The directive is contained in the committee's No 4 Document, worked out recently to outline concrete measures and policies to bring about the reforms urged by patriarch Deng Xiaoping.

Reliable sources say the document, which was completed last month, is divided into four parts: Redefinition of the Government's jurisdiction, changing management mechanisms of state enterprises, further expansion of reforms, and intensifying efforts on several major projects including the Three Gorges Dam project.

Sources said one of the document's main aims is to bring about an environment allowing comprehensive reform to take root throughout China—as was highly recommended by Mr Deng.

As well as the extension of special economic zone policies to 30 more cities, the document calls for the opening up to foreign investors of another nine major cities along the northern and western borders, covering Heilongjiang Province, Inner Mongolia and the Xinjiang Autonomous Region. The document calls for five more inland ports along the Yangtze River, including Wuhan and Chongqing, to be opened to foreign investment.

The document urges Guangdong province to catch up with Asia's "four little dragons" within 20 years, and calls for the lifting of some economic restrictions on Shanghai.

Foreigners would be allowed to participate in commercial activities such as opening banks and insurance companies in the Pudong Development Zone.

The party is encouraging individuals, groups and even various work units of the party and the government to develop tertiary industries without the use of public funds.

#### **Private Economy Shows 'Strong Economic Strength'**

HK0606075292 Beijing ZHONGGUO XINWEN SHE  
in English 0437 GMT 6 Jun 92

[Text] Beijing, June 6 (CNS)—As of the end of 1991, the number of individual industrial and commercial households was 14.16 million nationwide with employment put at 22.58 million and registered capital of RMB [Renminbi] 48.82 billion. Private enterprises numbered 108,000 with 1.839 million employed and registered capital valued at RMB 12.32 billion. Taxes paid to the state by individual industrial and commercial households and private enterprises nationwide reached RMB 17.9 billion in 1991, the Deputy Director of the State Administration for Industry and Commerce, Mr. Bai Dahua, disclosed at a national conference on administrative work on individual private business held here

recently. This was the result of encouraging policies adopted by the central authorities on the individual private business economy.

It is becoming increasingly evident that these individual industrial and commercial households and private enterprises show strong economic strength and good economic results as well as playing a significant role in local development of the national economy, Mr. Bai said. With the development of the national economy and a change in the operation mechanism in state-owned enterprises, the individual private business economy will show new development centred on the development of tertiary industry. Service and repair businesses, especially repairs for high-grade consumer goods such as household electric appliances will develop into a higher level in urban areas while services for agriculture will be given top priority in rural areas. As regards commerce, long-distance peddling business should be strenuously developed. The private business economy will in the future be encouraged to incline towards production; export and science and technology-oriented development while qualified private enterprises will be given strong support for Sino-foreign joint ventures and cooperative ventures as well as for undertaking processing with supplied materials. In ethnic minority-inhabited regions, encouragement will be given to the utilization of local resources to develop the individual private business economy with the aim of making more minority inhabitants well-off.

Looking comprehensively at the individual private economy across the country, Guangdong Province is seen to have the greatest prominence and ranks first among the countries provinces, cities and regions. As of late 1991, the province boasted nearly 950,000 individual business households and private enterprises with a workforce of 1.874 million and registered capital of RMB 7.28 billion. It is reported that many individual entities have been developed into budding private enterprises numbering over 2,000 and accounting for 22 percent of the total across the country. Personnel working for such enterprises in Guangdong number over 300,000 or 17 percent of the total in such business nationwide, ranking the province first in the country.

#### **Urban Residents Increasing Investing in Securities**

OW0706020992 Beijing XINHUA in English  
0150 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—Chinese urban residents are no longer regarding the electronic appliances the only worthy way to spend their savings, or just put their money in the bank. Instead, they go for something more rewarding—securities.

Though stocks and shares had been prohibited as "capitalist" things for over three decades since 1949, citizens fearing inflation and ever-sliding bank interest rates were quick enough to learn the magic of securities.

According to sources from the financial circles, in Shenzhen and Shanghai cities, where the country's only two stock exchanges are located, nearly two million individuals owned enterprise shares and bonds, and half of them have been rewarded handsomely.

In other cities of the country where shares are not allowed to be traded on market, people are rushing to buy various bonds issued both by the government and enterprises. There are securities companies in many cities all over the country, which are engaged in buying and selling bonds. Some individuals even pooled funds to conduct share business at the stock exchanges in Shanghai and Shenzhen.

However, the investment in stocks and shares still accounts for a very small portion of the money in the hands of individuals in the country. Latest statistics showed that the savings deposits of individuals in the country totaled nearly 1,000 billion yuan.

On the other hand, the central government has approved 39 enterprises to float shares publicly, and allowed 34 shares to be traded at the stock exchanges.

By the end of 1991, the stock exchanges in Shanghai and Shenzhen have put on market 3.3 billion yuan-worth of shares. Some 2.8 billion yuan of the shares went to public units, and only 500 million yuan of shares were sold to individuals.

The issuance of shares has helped many enterprises in the country to collect funds for technological improvement and expansion of production.

In order to utilize the idle funds in the hands of the people and establish a nationwide financial market, the country has accelerated its efforts to improve the stock market.

Earlier this year, the Shanghai Stock Exchange eliminated control on the prices of shares. The two stock exchanges in the country are all subject to market regulation.

As a result, the Shanghai Stock Exchange saw a total turnover of over five billion yuan in the period from January 1 to May 20, two times higher than the figure for the same period last year.

In addition, the country has also issued special shares in renminbi currency to overseas investors. The shares are known as "B-shares". This means the country's stock market has extended its cobweb to the international securities market.

In a bid to establish a comprehensive securities market in line with international practice, the country has adopted a series of regulations on the two stock exchanges. And a complete administrative system of the security market is taking shape. These measures are taken to ensure that the stock market be "open, fair and just".

In Shanghai and Shenzhen, where open trade of shares is permitted by the government, securities companies are growing rapidly. So far the securities companies in Shanghai have set up a dozen branches in the locality, which employ several hundred personnel. In Shenzhen city, the trade counters of shares have been increased to nearly 20 from the original four, and over 500 persons are working in securities companies, comparing with the original 34.

Experts said that the rapid growth of the country's securities market has become a major part of the country's reform in financial areas. They noted that it is still a long way to go for the country to establish a comprehensive securities market.

#### **Anshan Steel Improves Performance Through Reform**

OW0706050192 Beijing XINHUA Domestic Service  
in Chinese 1007 GMT 6 Jun 92

[By reporters Li Xinyan (2621 2450 1750) and Chen Guangming (7115 0342 2494)]

[Text] Shenyang, 6 June (XINHUA)—The Anshan Iron and Steel Corporation has taken the opportunity of a constantly improving external environment to deepen enterprise reform and strengthen management. As a result of hard and concerted efforts by its 400,000 staff and workers, monthly steel output has increased continuously and production and management have further improved, winning recent praise from State Council leaders.

The company's latest feat is reflected mainly in the following indicators: the output of key products increased markedly, with the output of iron ore, iron concentrate, steel, and rolled steel hitting an all-time high for the correspondent period. Economic efficiency has improved markedly. In the first five months, the company's sales revenues amounted to 5 billion yuan; profits and taxes, 1.2 billion yuan; and profit and tax delivery, 890 million yuan, topping last year's same period by 51, 46, and 77 percent respectively—all record figures for the corresponding period of previous years. Consumption of key materials has dropped noticeably. Comprehensive and comparable energy consumption for each tonne of steel and furnace iron consumption decreased by a big margin, while the overall coke ratio was the best in history. Variety and quality have also been improved. The rate of top grade pig iron reached 78 percent, up 6 percentage points over the same period last year; external furnace smelted steel totaled 900,000 tonnes, up 26 percent from the same period last year, with the variety increasing to 28; and the actual quality of 14 of the 28 key rolled steel products, including heavy rails and petroleum pipes, was also better than last year.

Since last year, the party Central Committee and the State Council have successively introduced a series of policy measures for invigorating large and medium-sized enterprises. These measures have been gradually implemented at the Anshan Iron and Steel Corporation. The



corporation is now assured of ample supply of coal, electricity, and raw and semi-finished materials which were in severe shortage in the previous years. Implementing the guidelines of Comrade Deng Xiaoping's speeches made during his tour to the south and of the Central Political Bureau, all regions in China have accelerated the pace of reform, resulting in a growing demand for steel products. According to corporation president Li Huazhong, the company should use current favorable opportunities to further improve production and management and upgrade technology so as to realize the annual production target of 8.1 million tonnes of steel.

Therefore, since the beginning of this year, the corporation has oriented its production to market demands and actively transformed its supply and marketing mechanisms. It has readjusted its product mix and stepped up efforts to organize production in a bid to continuously promote production through increasing sales; it has improved the front work process and closely coordinated efforts among all segments of the process; and in purchasing raw and semi-finished materials and fuel, it has emphasized variety, quality, prices, and utilization rate instead of just quantity. As a result, production and management have been pushed forward continuously.

In organizing production, the corporation has paid close attention to tackling crucial areas in order to ensure that the relevant targets are met and that the overall production situation is under control each day, month, season, and year. Meanwhile, it has strived to raise efficiency through increasing variety, improving quality, and lowering consumption. It has started with an effort to improve the actual quality of several leading products—such as heavy rails, seamless steel pipes, and steel wires—for comprehensively improving the quality of all key products. Furthermore, it has strived to lower the overall coke ratio of furnaces for reducing major consumption indexes.

Through deepening reform, transforming management mechanisms, and harnessing the rising production enthusiasm of workers and staff, the Anshan Iron and Steel Corporation has built stamina for propelling improvements in production and management. After earnestly summarizing experiences in popularizing the nine reform measures adopted during the Seventh Five-Year Plan period, the corporation has successively introduced 11 additional reform measures since the beginning of this year. For example, a steel mill has been able to increase its efficiency with reduced personnel under a comprehensive reform project. The seamless steel pipe plant has increased investment returns by setting up new operational mechanisms for technical transformation under a contract measure for "four selves" and "four completions in the same year" (self-design, self-construction, self-raised funds, and self-manufactured equipment; and completing design and construction, putting into operations, and repaying loans in the same year). These reform measures have further liberated and developed productive forces and helped increase labor

efficiency. As a result of the implementation of reform measures, the distribution policy has tilted toward units and individuals working in the forefront and in key departments—those who have contributed to the corporation's improved performance. Under an atmosphere of more pay and honor for more contributions, workers and staff have displayed great production enthusiasm. Last April when the No. 7 high furnace, with a capacity of 2,517 cubic meters, broke down, workers tried every possible means to rush to repair and, using advanced construction methods and technology, completed this medium-sized to large repair project in merely 54 days, setting a new record in the history of repairing and inspecting large high furnaces in China. Completing the repair project ahead of time has enabled production of 140,000 additional tonnes of iron and earned an extra 28 million yuan for the corporation.

#### Beijing Mayor Notes Trend of Enterprise Takeovers

OW0706134692 Beijing XINHUA in English  
1258 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—The Beijing Lida Sewing Machine Factory, which used to produce only sewing machines, is to assemble mini buses from this month.

This is only one of the examples of enterprise annexation conducted in Beijing in the past few months.

The factory suffered losses of more than 30 million yuan last year because of overstocking. As a medium-sized state-run factory, it sent a letter to Beijing Mayor Chen Xitong, applying for annexation by a more profitable enterprise.

Out of six companies which were interested in taking over Lida, the Beijing General Bus Factory finally annexed the company.

The Beijing General Bus Factory is one of the nation's major bus manufacturing enterprises. With an annual capacity of 3,500 buses in 12 categories and more than 70 varieties, its products are exported to more than a dozen countries and sell well on the home market.

It was particularly interested in Lida's 25,000 square meters of factory buildings.

The bus factory will pay off Lida's 30 million yuan debt and provide jobs for more than 1,000 of its workers.

Earlier this year the Beijing Heavy Machinery Plant was annexed by the Capital Iron and Steel Company, the Beijing No. 2 Water Factory and Beijing Stocking Factory were annexed by the Dongan Group and the Beijing Department Store, respectively.

Beijing's Mayor Chen Xitong has affirmed the new tendency of enterprise annexation. He said such annexations can ensure the survival of loss-making enterprises.

With more than 7,800 workers, the Beijing Heavy Machinery Plant had losses valued at 12 million yuan in the first three months of this year. But after being annexed by the Capital Iron and Steel Company in April the factory paid off all its debts and has made 100,000 yuan in profit, implementing the production plans arranged by the Capital Iron and Steel Company and receiving floating funds provided by the company.

Chen Xitong said the municipal government will support enterprise annexation so long as it is in accordance with Beijing's overall development plan.

#### Copyright Law Enforcement Problems Aired at Forum

OW0606041192 Beijing XINHUA Domestic Service  
in Chinese 1327 GMT 5 Jun 92

[By reporters Qu Zhihong (2575 1807 4767) Li Guangru (2621 0342 5423)]

[Text] Beijing, 5 June (XINHUA)—Renowned musician Wu Zuqiang made an unofficial appeal today at a forum sponsored by the State Copyright Bureau to mark the first anniversary of the implementation of the Copyright Law.

Holding a copy of the magazine "ACOUSTIC TECHNOLOGY," recently published in Hong Kong, he told the forum about an advertisement and assessment article about the Yuguo Company and the Huanghe Company in Hong Kong which had recently published a laser recording of "The Red Women Detachment," a dance drama from the mainland with musical recordings provided by the Central People's Broadcasting Station and Orchestra of the Shanghai Ballet Ensemble.

He said: However, we, the copyright owners, did not know anything about it. Isn't this a monstrous absurdity?

Wu Zuqiang's "appeal" provoked a stream of comments from the people of various circles present at the forum.

True, although our country has enacted a copyright law of a comparatively high level, copyright infringements are still very frequent.

According to a briefing by Liang Shuwen, a member of the Supreme People's Court who also attended the forum, in 1991 the courts in various areas handled 153 cases involving copyright infringements. The cases involved the various forms of artistic works, including language, TV films, audios and videos, photography, music, painting, sculpture, and industrial art.

The disputes were varied and very complicated. The parties involved in litigations included professors, scholars, artists, writers, scientists, doctors, and many noted figures.

Song Muwen, director of the State Copyright Bureau, sighed with emotion upon hearing this news. After briefing all on the implementation of the Copyright Law

in the past year, he stressed that if it was difficult to set up a copyright system, it would be more so to implement the Copyright Law.

Song Muwen said that China's highest organs in charge of the management of copyrights have many problems to solve.

First, there was a shortage of manpower in existing administrative bodies. In particular, the lack of a means to punish those guilty of copyright infringement made it difficult for these bodies to exercise their functions according to law; second, the drafting of regulations to coordinate the Copyright Law has been slow because of differences among various government departments; moreover, it has been slow in setting up copyright management bodies, agencies, and mediation organizations due to a shortage of manpower and funds.

He noted that these were the reasons that contributed to the poor implementation of China's Copyright Law.

The copyright bureau director once again made the following call: As the implementation of the Copyright Law is closely related to China's reform and opening to the outside world, it is necessary to rely on the strength of all sectors of the society.

Reviewing the progress made in various aspects in the past year, he said that it was gratifying to all of us that extensive activities to publicize the law has turned the attention of all circles of society to the law, which had been put into effect only a year ago, and that the law had served as forceful weapon for writers to protect their legitimate rights and interests.

Comrades Wang Hanbin and Gu Angran, responsible persons from the Ministry of Culture, the Ministry of Radio, Film, and Television, the All-China Federation of Literary and Art Circles, the Chinese Writers' Association, the State Science and Technology Commission, the Ministry of Electronics and Machine-Building Industry; as well as law experts and noted figures from literary and art circles, numbering more than 100 people, attended the forum.

#### Heilongjiang, Russian Cities Benefit From Barter

OW0606035492 Beijing XINHUA in English  
0303 GMT 6 Jun 92

[Text] Harbin, June 6 (XINHUA)—Highways and railways leading to the 3,040-km border along northeast China's Heilongjiang Province are groaning under the increasing shipments of export and import goods along with the booming Sino-Russian barter trade.

At Suifenhe, a small Chinese city nearest to the important Russian port of Vladivostok, hundreds of heavily-loaded trucks and freighters wait to cross the checkpoint every day.

China's foodstuffs, farm and sideline products, textile and light industrial goods are shipped over in exchange

for steel, timber, cement and chemical products. Statistics show that the volume of barter trade between Heilongjiang and the former Soviet Union last year topped one billion Swiss francs, accounting for 42.5 percent of the country's total barter trade volume.

Now almost all the province's border trade is conducted in the form of barter trading. All the checkpoints have to handle cargo exceeding their capacity.

Heihe, a city on the province's northern border, and Blagoveshchensk, the capital of the Amur region of Russia, are the two closest Chinese and Russian cities, facing each other across the Heilongjiang River. But for decades up to the 1980s, the twin cities had little trade contacts.

In the summer of 1987 Heihe set the snowball rolling by sending a ship with 206 tons of water melons to Blagoveshchensk on the northern bank.

The water melons were paid for by the Russian side with 308 tons of chemical fertilizer two months later.

Once the gate was open, the Chinese and Russians found to their delight that many products stockpiled on the other side were much needed in their own markets.

Du Xianzhong, deputy governor of the province, said that "barter trade is mutually complimentary and beneficial. The broad markets on both sides are ideal for consuming each other's goods." He noted that barter trade is also efficient since there are no middle links, such as re-export companies, and agreement on both import and export terms are usually reached in a single business meeting.

China's central government decided in March this year to further open Heihe and Suifenhe in Heilongjiang, Manzhouli in the Inner Mongolia Autonomous Region and Hunchun in Jilin Province to the outside world.

In the first four months of this year the barter trade volume reached 495 million Swiss francs, 2.3 times the amount for the corresponding period of 1991, according to government statistics.

In the meantime, non-governmental barter trade has also been thriving between individuals on both sides. Russian commodity markets have been set up in Harbin, the provincial capital, and major border cities.

Economists and business people differ in their views. Some hold that the shortage of foreign exchange reserves in the Commonwealth of the Independent States (CIS) will be a problem for a fairly long period. Therefore, barter trade will continue for years to come.

But some other trading experts hold that, with the revival of the CIS economy and the expanding of CIS foreign exchange reserves, Russian companies will seek more trade partners in Western countries.

To cope with the changing situation, the provincial government plans to boost its economic co-operation with its Russian partner while continuing its barter trade. "New co-operation can be carried out in the form of joint ventures, co-production and establishing cross-border and closer regional co-operation in the Far East region," said officials.

In addition, Heilongjiang will further join forces with the country's southern provinces and cities to bridge the trading gap between them and the CIS, said officials. Southern regions will in turn supply more varieties of goods to the province. The government also plans to restructure its imports and exports.

Statistics also show that in the first four months this year, Heilongjiang signed with the CIS trade contracts worth 2.62 billion Swiss francs and contracts for economic and technical co-operation worth 660 million Swiss francs, which represent 4.6 times and 6.8 times the amounts in the same period of 1991, respectively.

The deputy governor also said the third Harbin border and local trade fair to be held from June 15 to 24, will surely promote trade and economic co-operation with Russia and other CIS countries.

#### Journal Praises State Firms' Reform Progress

HK0406050892 Beijing ZHONGGUO JINGJI TIZHI  
GAIGE in Chinese No 3, 23 Mar 92 p 6

[Commentator's article: "Deepen Understanding, Heighten Confidence, Advance Despite Difficulties—Third Commentary on Plunging Enterprises Into the Market"; second commentary was published in the 5 June DAILY REPORT on pages 33-34]

[Text] Changing the operational mechanisms within enterprises and plunging enterprises into the market is a correct decision by the CPC Central Committee and the State Council after investigating the situation; it is the basic condition for improving the large and medium-size enterprises owned by the whole people, and the core of enterprise reform this year. At present, the most important thing is to quickly reach a common understanding on the basic problem of changing operational mechanisms within enterprises, boldly reform the enterprises' mechanisms, and enable enterprises to go through the test of market competition. In light of the current situation, if we continue to drag on, wait, and hesitate, we will miss the opportunity.

We are happy to see that, recently, many enterprises have made new progress in reforming their internal distribution, employment, and administrative organization. However, quite a number of deficit enterprises still lack the sense of responsibility and urgency for changing themselves. Some enterprises have been losing money for a long time, and their habit of holding the "iron rice bowl," taking "ironclad wages," and sitting in the "iron armchair" still remains unchanged; some enterprises have already eaten up their own capital. If this situation



is not rapidly changed, it will inevitably limit the national economy's development and affect the socialist public ownership economy's predominant function. Therefore, we must stand on the plane of consolidating the foundation of the socialist economy, fully understand the urgency and necessity of changing the operational mechanisms in enterprises and increasing the reform's importance and speed in this regard.

The enterprises themselves are the internal factor for changing mechanisms. Only when large and medium-size enterprises owned by the whole people are changed into economic entities with decision-making power regarding operations, and take sole responsibility for profits and losses, and are capable of self-development, self-restraint, and entering the market, can they acquire vigor, increase their economic returns, and enhance their staying power for development.

Some comrades think that changing the enterprises' operational mechanisms and reforming the employment and wages distribution systems are difficult tasks that not only involves the vital interests of the staff and workers, but also touch upon many other external factors, such as a change of the government's economic management function; they are therefore skeptical about whether the operational mechanisms within enterprises can be changed and whether the outcome of such a change is good or bad. We cannot say that this kind of worry is without reason. However, the leading cadres of the governments at various levels and of various kinds of enterprises owned by the whole people, and facing the grim situation in which many enterprises are still unable to basically stop their declining economic returns, should have the courage to advance despite difficulties, and establish the confidence to overcome those difficulties. The successful experiences acquired by Xuzhou city and other places tell us that as long as the leading cadres can play an exemplary role in breaking the "three irons," beginning with themselves, carefully do well the work in changing the enterprises' operational mechanisms, and clearly explain the reason, the enterprises' staff and workers can accept it as well as support it. The experience in the practice of reform for over 10 years has fully illustrated that the large and medium-size enterprises owned by the whole people in our country are completely capable of changing their operational mechanisms and plunging into the market. Once these enterprises have really changed their operational mechanisms and walked into the commodity market characterized by equal competition, their initiative and enthusiasm for taking part in the competition would be aroused, and they would fully utilize the market to organize their own production and operation activities, thus they would enhance vigor, improve efficiency, stop losses, and increase profits.

Of course, to improve the large and medium-size enterprises owned by the whole people, we cannot rely only on changing the operational mechanisms within enterprises and pushing enterprises toward the market, there must be an earnest support from the external environment and a comprehensive coordination of various other reform

measures, therefore, when we grasp the crux of reforming enterprises themselves, we cannot neglect other relevant tasks. Government departments of various levels and various kinds of enterprises owned by the whole people, especially the large and medium-size enterprises, must make solid efforts, abandon formalism which is characterized by blind crazes, and book worshipping which is characterized by rigid copying, and stop empty talks which do not grasp implementation. Our work must be planned and divided into phases, and we must strive for attaining certain concrete goals in each work phase. Only by so doing can we solidly push forward enterprise reform.

### Agriculture Ministry May Become Commission

HK0906085192 Hong Kong WEN WEI PO in Chinese  
2 Jun 92 p 2

[Dispatch by staff reporter Ch'en Chien-p'ing (7115 1696 1627): "China's Rural Economic Reform To Be Further Deepened, Grain Price Controls To Be Fully Lifted"]

[Text] Beijing, 1 Jun (WEN WEI PO)—The State Council recently put forward a whole set of specific measures aimed at further deepening reform of the rural economic structure. These include totally lifting grain price controls to boost the lifting of price controls over other farm produce; setting up some really competent township and town enterprise groups, which are granted the right to conduct foreign trade, boosting integration of trade with agriculture and manufacturing; setting up high-level agricultural investment companies by the government to invigorate agricultural finance; considering upgrading the Agriculture Ministry into a rural work commission to step up macroeconomic regulation and control; and so on.

As disclosed by an authoritative person here, the State Council deems it necessary to seize the current opportune moment to carry out well the next step of the work of deepening reform with solution of problems in rural economic management structure and operational structure as the key contents. The work will be pushed forward from the following principal aspects:

- Adopt a positive principle to gradually lift price controls over farm produce. The central government agrees to adopt positive methods to quicken the pace of grain price reform. Once grain price controls are totally lifted, the price mechanism of other farm produce will be invigorated.
- Develop and perfect integration of trade with agriculture and manufacturing, energetically develop processing and transformation of commodities and, at the same time, enter the circulation field. To this end, it is necessary to encourage and support local governments in organizing developmental production, processing, storage, and transportation compatible with the conditions of local resources and market demands; to set up and improve the rural collectivized service system

according to local conditions and bring its multiple role into play; to develop and build farm produce bases in the same way as enterprise operations; and to make further efforts to vigorously develop township and town enterprises from the eastern part and coastal areas to central west China.

- Invigorate rural finance to open up more sources of funds for agricultural development. While ensuring financial allocation, bank loans, scientific and technological outlays, and planned investment under the existing structure, we should try to divert more funds of rural cooperatives across the country, amounting to over 8 billion yuan, to production and development. We should strive to set up agricultural science and technology development funds, enterprise undertakings risk funds, development funds, and so on. Rural enterprises, including township and town enterprises, should be granted some rights to conduct foreign trade.
- In agriculture, it is necessary to vigorously develop joint ventures and, with these enterprises as parents, set up branch institutions in inland areas. We should give energetic support to the development of border trade and develop enterprises outside the border.
- Take an active part in circulation to develop a dynamic market and exchange network and encourage the development of rural trade fairs. We should guide nationwide wholesale markets that have emerged in the rural areas by economic means and we can set up farm produce trading companies.

#### Reclaimed Farms Conference Views Mechanization

OW0706022592 Beijing XINHUA Domestic Service  
in Chinese 0516 GMT 6 Jun 92

[By reporter Wang Laixi (3769 0171 0823)]

[Text] Harbin, 6 June (XINHUA)—In over a decade of reform and opening up, mechanization on China's reclaimed farms has made tremendous progress. Presently, the total power capacity of farm machinery in the reclaimed farm sector has reached 9,696,300 kilowatts [kw], up 56.4 percent from 1978.

At the national meeting on farm mechanization in the reclaimed farm sector held in Jiamusi today, this reporter learned that the average power capacity of farm machinery for every 10,000 mu of farmland in the reclaimed farm sector is 1,434.6 kw. Eighty-two percent of farmland is under mechanized cultivation, with mechanized sowing at 70 percent, and mechanized harvesting at 56 percent, respectively, 33.57 and 50.0 percent higher than the national average in rural areas. Furthermore, 66 percent of total farmland in the reclaimed farm sector uses aircraft and machinery for chemical weed control, and 41 percent is effectively irrigated.

The rapid development of farm mechanization has greatly improved productivity in the reclaimed farm sector. Last year, each farm worker on state farms nationwide on the average produced 6,200 kg of grain and beans with an output value of some 6,500 yuan, respectively 60.0 and 70.0 percent more than in 1985.

Reform and opening up is the main driving force behind the rapid development of farm mechanization in the reclaimed farm sector. Since 1985, reclaimed farms nationwide have pressed ahead with the reform to set up family farms and have gradually established the dual-tier operation structure of "big farms leasing small farms." Empowered to make their own production and operations decisions, the workers have developed a greater eagerness to invest in farm mechanization. According to statistics, in recent years family farm workers in the reclaimed regions of Heilongjiang have invested 207 million yuan to purchase some 38,000 units of tractors, combines, and mechanized farm equipment.

The reclaimed farm sector has also attracted foreign funds, in the form of World Bank loans and compensatory trade, totaling some \$300 million, to introduce a variety of advanced farm machinery and equipment, as well as advanced technology. This has enabled standards for farm machinery and equipment on reclaimed farms to go from the level of the 1950s to advanced world standards of the 1970' and 1980s. The introduction of advanced farm equipment and technology has not only boosted productivity by has also enabled many state farms to release a large portion of their labor force, promote adjustment of industrial structure, and speed up the pace of upgrading in the domestic farm machinery industry. At present, the high-powered self-propelled combines, models 1065 and 1075, produced by the Jiamusi Combine Plant with foreign technology, have attained advanced world standards of the 1980s.

To improve the economic efficiency of farm mechanization, reclaimed farms nationwide have always closely blended farm machinery with agronomy to forge and perfect a complete set of mechanisms for farm machinery control, with standardized management as the crux, in order to standardize farm operations. Since 1987, 85 state farms have been awarded the title of outstanding unit by the Ministry of Agriculture for equipment management and for standardization of farm machinery management.

The meeting pointed out that in order to adapt traditional agriculture to the historic shift to modern agriculture, it is imperative to adopt a number of measures during the Eighth Five-Year Plan to accelerate changes in the reclaimed farm sector from the mechanization of plowing, harrowing, sowing, and harvesting during the cultivation of grain, cotton, and oil-bearing crops to the large-scale mechanization of agriculture, forestry, livestock farming, sideline production, and fishery.

## East Region

### Anhui Commission Suggests Ways for Reform

OW0606061992 Hefei ANHUI RIBAO  
in Chinese 30 May 92 pp 1, 4

["Provincial Discipline Inspection Commission Puts Forward Seven-Point Suggestion for Promoting Reform, Opening Up, and Economic Construction"—ANHUI RIBAO headline]

[Text] The Discipline Inspection Commission of the Anhui Provincial CPC Committee recently put forward a seven-point suggestion, urging discipline inspection offices and cadres at all levels throughout the province to dedicate themselves to economic construction, reform and opening up, and to carry out the four primary duties in all fields so as to more effectively promote reform, opening up, and economic development.

**First, it is necessary to focus attention on economic construction and foster a strong awareness of the guiding principle that discipline inspection work must serve the party's basic line.**

Discipline inspection offices at various levels should continue to study intensively Comrade Deng Xiaoping's important speeches and the central authorities' relevant documents and comprehend their spiritual essence accurately.

In the light of realities in economic construction, reform and opening, and discipline inspection work, efforts should be made to deepen the understanding of major issues related to reform; opening up and economic construction; and enhance the awareness of the guiding principle that discipline inspection work must serve the party's basic line.

It is necessary to always bear in mind the central task of economic construction in persistently attending to both discipline inspection work and reform and opening up and correctly handling the relations between the two. New circumstances and problems cropping up in reform, opening up and commodity economy activities should be understood and handled in the light of whether they can help develop socialist social productive forces; enhance the socialist country's comprehensive national strength; improve the people's livelihood; further promote reform and opening up; and help Anhui scale new heights in economic construction.

**Second, it is necessary to go all out to support reform and opening up, and protect the enthusiasm of cadres and people in making reform.**

Discipline inspection offices at all levels should direct their work primarily at supporting and safeguarding reform and opening up, giving firm and unequivocal support to comrades dedicated to reform, opening up, and economic development. They should do everything possible to help comrades, who dare to try out reform

and innovation but who are criticized for certain mistakes; sum up experiences and lessons; and distinguish right from wrong in order to encourage these comrades to continue to reform.

It is necessary to sternly investigate and punish people who falsely charge and retaliate against others, and minimize their influence so as to uphold justice. It is also necessary to crack down on people, who seek selfish gain in violating law and discipline under the guise of reform and to the detriment of the interests of the country, collective and other people.

Discipline inspection organs at various levels should adopt effective measures to ensure the implementation of reform measures adopted by the provincial party committee and government.

**Third, it is necessary to duly investigate and punish cases of discipline violation by party members, and remove obstacles and interferences in reform, opening up and economic development.**

Discipline inspection offices at various levels should strictly administer party affairs by conscientiously investigating violation of discipline and cracking down on corruption by party members.

They should investigate cases of flagrant interference in and disruption of economic construction, reform and opening up; cases of violating economic laws and discipline in embezzlement, larceny, bribery, smuggling and trading of smuggled goods, and profiteering and speculation; cases of dereliction of duty caused by serious bureaucracy; and cases of corruption and power abuse for personal gains.

To create a favorable external environment for enterprise reform, it is necessary to work concertedly with relevant supervisory departments in cracking down on abuse of powers and privileges by various trades in collecting fees, imposing fines, and pooling funds to the serious detriment of the lawful rights and interests of enterprises and the interests of workers. The focus of investigations should be directed at major and serious cases involving discipline violation by party member-leading cadres in the political and economic fields.

In handling cases, it is necessary to take into account the actual condition of enterprises, and pay attention to both strategy and method in deciding on the timing and the scope of investigation so as to solve problems while ensuring normal production and operation of enterprises.

In handling cases of discipline violation, it is also necessary to realistically analyze how they have actually happened and correctly enforce discipline in line with the relevant regulations and provisions of the Central Discipline Inspection. It is necessary to prudently handle uncertain cases where there is no clear line of demarcation for applying the policy.



**Fourth, it is necessary to intensify the supervision of party discipline to create a healthy environment for reform, opening up, and economic development.**

Discipline inspection offices at all levels should evaluate political discipline of party organizations and leading cadres at various levels according to their attitude toward reform and opening up. Those who adopt a passive and perfunctory attitude should be criticized through education, and those who stubbornly resist and disrupt reform and opening up should be severely penalized.

It is necessary to supervise and inspect the implementation of a series of principles and policies adopted by the central and provincial party committees and local party committees and governments for deepening reform, opening wider to the outside world, and accelerating the economy, so as to ensure these principles and policies are carried out without fail.

The party's discipline inspection work at the present and for some time to come should be focused on party member-cadres of party and government organizations, law and discipline enforcement departments, administrative institutions, and departments and units directly related to the production of enterprises and everyday life of the masses. It is necessary to intensify the supervision of petitions and letters related to discipline inspection work, and scrutinize party work style and identify problems, which the masses resent strongly, to find clues to violation of law and discipline by party member-leading cadres.

In handling problems revealed in petitions and letters, it is necessary to earnestly investigate and handle them through proper channels, providing timely feedback and progress reports and protecting the privacy of informants as well as the lawful rights of the accused and accuser, thereby safeguarding social stability.

**Fifth, it is necessary to strengthen the education on party style and discipline to enhance the capability of party members to resist corrosive influence and guard against changes of the political color.**

It is necessary to adhere to the principle of "emphasizing mainly preventive education," and give top priority to carrying out the education on party style and discipline in the entire process of doing discipline inspection work. Whether protecting or punishing cadres, it is necessary to start with education first and, showing concern and care for them, constantly remind them and sound the alarm in order to "nip in the bud" any problems and enhance the capability of party member-cadres to resist corrosive influences and guard against changes of the political color.

It is necessary to effectively conduct the education along the party's line, principles, and policies and on party rules and regulations in order to raise the consciousness of party member-cadres in abiding by law and discipline.

It is also necessary to bring into play the advantages of discipline inspection work and use advanced models of clean officials in analyzing typical cases of violation of party discipline; and teach cadres to work hard and perform duties with honesty, thereby cracking down on unhealthy tendencies and propagating healthy ones.

**Sixth, it is necessary to actively participate in economic work and explore more ways for discipline inspection work to serve economic construction.**

Discipline inspection offices at all levels should go deep to the forefront of economic construction, reform, and opening up. They should visit enterprises, villages, and economic management departments to establish work contact points, take part in economic activities, study economic work, understand economic policies, become aware of changing circumstances, solve new problems, and explore ways for discipline inspection work to serve economic construction.

They should actively participate in the study and formulation of major policy measures by party committees to deepen reform, open wider to the outside world, and accelerate economic development; and should reinforce discipline to ensure concrete implementation of these measures. They should actively take part in the endeavor by party committees and governments to resolve hot issues, which the masses strongly resent, by bringing into play their function in promoting clean party style and government and safeguarding the interests of the masses.

They should also take part in the government-sponsored drive to improve and consolidate enterprises suffering from abnormal deficits.

**Seven, it is necessary to improve the quality of rank-and-file discipline inspection cadres in the course of reform and opening up.**

Discipline inspection offices at all levels should proceed from the practical needs of economic construction in selecting and appointing cadres with political integrity, practical experience, and managerial expertise to lead discipline inspection commissions and organizations at all levels, in a bid to improve the overall structure of discipline inspection cadres.

Discipline inspection cadres should update their knowledge, study economic affairs diligently, familiarize themselves with economic policies and regulations, understand the laws governing economic operations, and broaden their horizons, so as to increase their adaptability. They should also earnestly improve work style and method, and regularly go down to factories, villages, enterprises, enterprises, and institutions to conduct investigative studies; increase mutual understanding among comrades engaged in economic work; and bring into full play the important role of discipline inspection work in reform, opening up, and economic work in reform, opening up, and economic construction.

### Nantong Sets Aside New Foreign Investment Zone

OW0606144792 Beijing XINHUA in English  
1359 GMT 6 Jun 92

[Text] Nanjing, June 6 (XINHUA)—Nantong, one of China's first 14 open coastal cities in Jiangsu Province, set aside recently a new zone to attract foreign investments for development purposes.

According to local officials, the new zone, covering an area of some 40 square kilometers is located in the Nantong economic and technological development zone and along the Yangtze River.

So far, the number of foreign-funded enterprises in Nantong surpasses 200.

Since the central government announced its approval of the opening of the New Pudong Area in neighboring Shanghai, the city has put forward a series of new measures to open itself wider to the outside world.

The city has leased 1.3 million square meters of land to over 30 foreign-funded enterprises since last year.

The city has also designated another over 30 ha [hectares] of land in its downtown area and along the Yangtze River for sale to foreign investors.

In May four groups of businessmen from Japan and Taiwan bought land in the city.

### Jiang Chunyun Inspects Qihe County Wheat Field

SK0806013292 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 5 Jun 92

[Text] Since the beginning of June, a wheat gathering has been good in some localities in the province. On 5 June Jiang Chunyun, secretary of the provincial party committee, guided some comrades of the organs under the provincial party committee around the rural areas of Qihe County. Jiang Chunyun and the provincial leaders gathered wheat with the local peasants.

The wheat field to the north of Huang He is golden, and a good harvest is in sight. Over the past years, (Jiashi) Township of Qihe County has made great efforts to cultivate improved varieties of wheat and has stood in the forefront of developing high-yield and high-efficient agriculture in the whole province.

Jiang Chunyun conscientiously inspected the experimental field and understood about cultivating the improved varieties of wheat. Then he joined the people gathering the wheat. He picked up a sickle and skillfully cut it.

Jiang Chunyun said to reporters: This year's summer grain production approaches last year's level. We may say that this year is the second harvest year. There are three main reasons for this bumper harvest. First, the party's policy toward the rural areas is good. The vast number of the peasants are enthusiastic about the policy.

Second, the socialized service system effectively displays its functions. Cultivation, sowing, irrigation, improved varieties, and fertilizer application are coordinated, and the mechanization of farm work is expanded. All of this helps upgrade labor productivity. Third, agricultural science and technology are well displayed. The key to reaping a bumper wheat harvest hinges on using science and technology to select and cultivate the improved varieties of wheat. This proves the truth that science and technology are the first productive forces. Anyone who pays attention to science and technology will be able to make rapid progress and to create high-quality, high-yield, and high-efficient agriculture.

Jiang Chunyun pointed out: The provincial agricultural front should take the road of high-yield, high-quality, and high-efficient production. The localities should rely on the socialized service system and link the enthusiasm of the households with the superiority of the collective management to upgrade the level of productive forces. We should vigorously popularize and apply science and technology. Agricultural science and technology are particularly important now. Next to the improvement of water, fertilizer, and soil conditions, science and technology are the main factors for raising agricultural production to a new high. We should use science and technology to increase grain production and achieve economic results. We should pay particular attention to this. Qihe County has made noticeable agricultural production achievements by using the fine varieties of wheat called 80-36 and (Hesheng) No. 1. If we generally popularize these fine varieties, the province's wheat production will increase by at least by one-fourth or one-third. Thus, there is great potential for agricultural production. The key to promoting agricultural production hinges on science and technology.

In Qihe County, Secretary Jiang Chunyun also heard the work reports of the Dezhou prefectural party committee, the prefectural administrative office, the Qihe County party committee, and the county government.

He stressed in his speech: All localities across the province should concentrate on planting, harvesting, and field management; ensure success in these three summer jobs; and lay a good foundation for the overall bumper agricultural harvest this year. On the one hand, we should wholly grasp the harvest achievements, rush the harvest, rush to dry and thresh the wheat, put every grain to the granary, and ensure a bumper grain harvest; on the other hand, we should plant summer cotton and corn in a timely manner.

Jiang Chunyun pointed out that we should do a good job in purchasing summer grain, ensure payment to grain sellers, and never give IOU's to the masses.

Jiang Chunyun stressed: The rural areas should be based on combating natural disasters to ensure a good agricultural harvest. The weather can greatly affect our agriculture. The drought threatens us now, so we should mobilize the masses to combat it, realistically attend to the

planting of summer grain, and ensure good growth for the young plants. Simultaneously, we should make ideological preparations against serious floods, positively and with initiative combat flooding and waterlogging, and ensure an annual bumper agricultural harvest.

Jiang Chunyun also visited some country trade fairs and some county-run enterprises in Qihe County.

### Shandong Symposium on Developing Western Areas

SK0706004992 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 5 Jun 92

[Text] The symposium on the strategy to develop the western part of Shandong Province in the 1990's was held in Lingxian County 2-4 June. Leaders of the Propaganda Department and the organizational department of the provincial party committee, the provincial Federation of Social Sciences, and the provincial Social Scientific Institute; leaders of Dezhou, Binzhou, Liaocheng, and Heze; and some specialists and scholars were present.

Gao Changli, deputy secretary of the provincial party committee; and Wang Jiangong, vice governor of the provincial government, sent telegrams of congratulation to the symposium.

The population in the five prefectures and cities in the western and northern parts of the province, namely Dezhou, Binzhou, Liaocheng, Heze, and Dongying, amounts to 29.27 percent of the province's total. Their cultivated land accounts for 35.27 percent of the province's total. Thus, these areas occupy a decisive role in the province's development.

The specialists and scholars participating in the symposium talked about ways for the economically well-developed areas to grasp the opportunity of reform and opening up in order to accelerate the pace of development and narrow the gaps with the advanced areas. Fifty theses were accepted at the symposium.

### Zhejiang's Rural Specialty Markets Lauded

OW0606113292 Beijing XINHUA Domestic Service in Chinese 2124 GMT 5 Jun 92

[By reporter Shen Haixiong (1957 3189 7160): "Reporter's Notes on Zhejiang's Rural Specialty Markets"]

[Text] Hangzhou, 6 June (XINHUA)—The distribution of Zhejiang's specialty markets is characterized by the fact that 95 percent of the markets are situated in rural areas, mainly in relatively unknown villages and market towns that do not possess favorable geographical conditions.

The nation's largest button market and largest production base for educational toys are situated in Wenzhou's Yongjia County, a remote location surrounded by mountains on all sides and which has poor communications and a power supply shortage.

Panan County is the most remote and backward mountainous region in central Zhejiang. However, the nation's two largest markets, the traditional Chinese medicines and fresh mushroom markets, have emerged here. Mushrooms produced in the region can be shipped to Japan's major supermarkets within a day and a night.

The rapid development of specialty markets in unnoticed places has troubled economists.

According to general economics theory, the development and growth of markets are usually closely related to the level of production technology, communication conditions, and the degree of the locality's recognition. Cities normally possess these conditions and should be the best places to develop markets. However, this rule has been broken by the specialty markets of Zhejiang. Cao Tian-dian, deputy director of the State Administration for Industry and Commerce, sighed: "This is a chapter that has to be added to every economics textbook!"

According to the reporter's analysis, the most fundamental reason for Zhejiang's specialty markets flourishing in rural areas is that there is a flexible mechanism full of vitality.

For example, when Yiwu's small commodities market sprang up 10 years ago, a group of primary markets also emerged fragmentarily in surrounding small and medium-sized cities. In a certain city, hundreds of individual traders set up markets on their own. At any rate, the communications and geographical conditions of this city are better than they are in rural Yiwu. However, the city's small commodities market is still without a proper trading place and facilities, despite numerous relocations over the past 10 years. Many relevant departments have taken frequent action to remove the market, claiming it is hampering the city's outlook, affecting urban planning, and of low and inferior quality. On the other hand, in 1982, Yiwu County allowed individual proprietors of small commodities to trade on the street. The market subsequently expanded and developed year by year. Now, the small commodities market of Yiwu has 14,000 stores with an annual sales of 1.025 billion yuan to top the country's major specialty markets. Yiwu has become a well-known commercial city with 110,000 peasants engaging in business, or over 36 percent of the total rural labor force. Yiwu Mayor Mao Guanglie said: The crux of the city's development lies in the adoption of the economic development strategy based on actual conditions. During the past 10 years, Yiwu's party committee and government have changed three times. Nevertheless, the theme of "building the county (city) with commercial development" has not changed, and, moreover, it has continuously been expanded. The functions of the specialty market have also been developed more completely.



## Central-South Region

### Guangxi To Publicize Law on Protecting Women

HK0806103192 Nanning Guangxi People's Radio  
Network in Mandarin 1130 GMT 6 Jun 92

[Excerpt] To study, publicize, and enforce the PRC Law on Protection of Women's Rights and Interests on a large scale in the whole society, the CPC Central Committee Political and Legal Affairs Commission and Propaganda Department, the State Ministry of Justice, the National Federation of Women, and 11 other state ministries and commissions have jointly decided to unfold a one-month activity to publicize the PRC Law on Protection of Women's Rights and Interests in June 1992.

In accordance with the spirit of a central circular and in light of the realities in our region, the regional party committee and people's government have also decided to unfold a one-month regionwide activity to publicize the PRC Law on Protection of Women's Rights and Interests on a grand scale from 14 June to 14 July.

Today, the regional leading group in charge of this activity called a regional teleconference at which it arranged for the regionwide activity.

Wei Jisong, regional people's government vice chairman; prefectural, city, and county leaders with special responsibility for both political and legal affairs work and mass organizations work; as well as persons in charge of relevant units directly under the regional authorities, attended the teleconference.

Wei Jisong delivered a speech in which he said that the PRC Law on Protection of Women's Rights and Interests is the first important PRC law on comprehensive protection of women's rights and interests.

Wei Jisong also called on leaders at all levels to fully understand both importance and significance of the promulgation, publicization, and enforcement of the law, and make sound arrangements for the law's publicization and enforcement.

Wei Jisong noted: All areas must carry out the regionwide one-month activity of publicizing the law through various channels, in a variety of forms, and on a grand scale. [passage omitted]

### Haikou Changes Enterprise Establishment Procedures

HK0706053892 Beijing CHINA DAILY  
(BUSINESS WEEKLY) in English 7 Jun 92 p 2

[By Huang Yiming: "New Rules in Haikou Give Firms Freedoms"]

[Text] Haikou—The city government of this Hainan Province capital has decided to make substantial changes in its procedures guiding the establishment of enterprises in the city by outsiders.

The new policy grants more freedom to foreign investors and lifts many of the restrictions on what types of businesses they can invest in.

According to the new policies released late last week, investors, home and abroad, may apply for setting up enterprises in Haikou prior to submitting project proposals.

Foreign applicants are freed from the requirement of submitting bank credit guarantees. However, domestic investors still must supply the written guarantees.

The municipal government also announced that the official approval procedure has been discarded.

Instead, the city has instituted project registration. As long as the project is in line with municipal industrial policy, is not in one of the industries discouraged by the State, meets environmental requirements, is self-dependent for raw materials and capital, and has less than \$5 million or 50 million yuan (\$9.1 million) in investment, which is the maximum investment the local government can approve, the project can be registered.

Projects co-funded by an outside investor and local firm will also be allowed to follow the new regulations.

In cases where investment for a project is within \$2 million or 10 million yuan (\$1.8 million) of the limits, the project may go to registration once the local firm's superior department gives its approval.

The policy states that the registration of a project will be accepted by municipal planning authorities officials in land administration and banking as the equivalent of official approval.

This series of policies also gives more space to foreign-invested enterprises.

Foreign-funded firms are allowed by the new policy to engage in a diverse set of businesses aside from some dominated by State monopolies such as automobiles, farm chemicals and medicines.

The municipal government plans to open retail sales, foreign trade, leasing and communications. These were sectors that had previously been prohibited to foreign-funded firms.

Overseas enterprises and foreigners with appropriate credentials also will be allowed to buy real estate in Haikou.

Existing restrictions on these businesses will be gradually wiped out, the government said.

As a result of the improvement in its investment climate, Hainan has seen sharp increases in foreign capital coming to the island, according to a source from the provincial economic cooperation department.

During the first four months this year, the province approved 237 foreign-funded enterprises, up 94 percent

over the same period last year. Contractual foreign funds accounted for \$190 million, six times the level of a year ago.

### Wuhan 'Waiting Anxiously' for Economic Freedom

HK0706053092 Beijing CHINA DAILY  
(BUSINESS WEEKLY) in English 7 Jun 92 p 1

[By Zhang Yu'an: "Spreading the Wealth: Wuhan Gets Its Chance"]

[Text] Wuhan is waiting anxiously for the starting gun signaling a new era of economic freedom in which many Chinese cities have the tools to compete with a handful of special economic zones, forerunners of China's market-oriented reforms.

This industrial hub on the middle reaches of the Yangtze River, China's biggest inland port, is expected to be one of the first cities to enjoy the benefits of China's latest push to open to the outside world.

"Let investors make big money here," said Wuhan Mayor Zhao Baojiang as he announced economic incentives that he hopes will attract foreign capital and foster a local economic take-off.

Zhao promised that foreign investors will enjoy the same preferential treatment originally available only to businesses in the country's special economic zones when they invest in Wuhan's Donghu New Technology Development Zone and the Dunkou Automobile Development Zone.

Wuhan, capital of Hubei Province, has become a hot spot for both domestic and overseas investment due to two major State strategic decision: first, to push its opening drive west along the Yangtze River; second, to build the \$10 billion Three Gorges project in Yichang.

Since the beginning of this year, crowds of foreigners have visited the city, either for sightseeing or for leasing large tracks of land for real estate development or investment.

From January to May, 81 foreign-funded projects were approved. It is estimated that new foreign-funded projects in 1992 alone will surpass the total approved in the past six years—557—Zhao said.

So far, the city has established trade and economic ties with more than 90 countries and regions in the world.

In the 19th century, Wuhan was an economic and trade centre in the country.

After Liberation in 1949, it became an important centre for heavy industry, scientific research, finance and trade in Central China.

Last year, the central government permitted Wuhan to open its port to foreign ships, indicating that China's coast line had been extended to the central part of the country.

To promote foreign trade and cooperation, the city has built three 5,000-ton berths at its Qingshan foreign trade port, where there are large cranes for unloading cargo and containers.

In the meantime, it is investing 665 million yuan (\$120.9 million) in constructing the Tianhe International Airport to further improve its environment for foreign investment.

When completed in 1993, the airport, with a 3,000-metre-long runway under construction, will be able to receive Boeing 737 and 747 and Airbus 300 airplanes. The airport also can handle 33,000 tons of cargo and 4.2 million passengers annually.

Wuhan, which has the third highest number of skilled workers in China behind Shanghai and Beijing, has 35 colleges and 46 natural science research institutes.

To take full advantage of this educational base, the city is now constructing the 43-square-kilometre Donghu New Technology Development Zone, which is the nation's second education-intensive economic area after the Zhongguanchun high and new technology development zone in Beijing.

So far, more than 187 high and new technology enterprises, including 48 foreign-funded ventures, have been established in the Donghu New Technology Development Zone.

### Hunan To Build Three Tourism Development Zones

OW0806131192 Beijing XINHUA in English  
1230 GMT 8 Jun 92

[Text] Changsha, June 8 (XINHUA)—Hunan Province in central China has decided to build three tourism development zones at the scenic sites of Zhangjiajie, Taohuayuan and Yueyang city.

The province has already invested 12 million yuan in the infrastructural construction in Taohuayuan. Completed in March this year, the project has been expanded to cover more than eight square kilometers.

Taohuayuan has also signed 57 contracts with overseas investors involving 375 million yuan and entered 64 contracts worth 166 million yuan with domestic businesses.

To accelerate the development of tourism, Hunan will offer preferential policies for land, taxation, trade, the supply of raw materials and loans.

## Southwest Region

### Tibetan Neighbors Note Ecological 'Degradation'

HK0906042992 Hong Kong SOUTH CHINA  
MORNING POST in English 9 June 92 p 21

[By Yojana Sharma]

[Text] Although China brooks no criticism of its policies in Tibet, insisting that Tibetan affairs are an internal matter, Asian countries are beginning to take note of the ecological degradation of the fragile Tibetan plateau which is starting to affect the environment of several countries whose rivers rise in Tibet.

"The degradation of Tibet is not just a Tibetan issue, it has become an Asian issue," said Sanjeev Prakash of the Indian-based environmental group Eco-Tibet, speaking on the margins of the Earth Summit in Rio.

To coincide with the summit, the Office of the Dalai Lama last week released in Rio a major 140-page report entitled "Tibet Environment and Development Issues 1992".

Reliable information from the area and particularly about environmental degradation has been hard to come by. However, the Tibetan Government in Exile has been able to compile the report with help from Tibetans inside the country, those who fled, foreign visitors and official Chinese sources.

It is the most comprehensive document on the environment ever to emerge from Tibet and is a searing indictment of Chinese exploitation of the area.

According to Tempa Tsering of the Dalai Lama's Office, irretrievable environmental degradation has been caused by the presence of 500,000 Chinese troops, of more than seven million Chinese settlers since 1949, and by China's unsustainable exploitation of Tibet's timber and mineral wealth for its own economic purposes.

The deforestation of Tibet in particular has major implications for other Asian countries.

More than 40 percent of Tibet's forests have been cut since 1949. New roads to penetrate remoter parts of the country have increased the rate of felling. "In the Kongpo area of U-Tsang alone, more than 20,000 Chinese soldiers and Tibetan prisoners are involved in tree felling and transport," says the report.

Deforestation from logging and environmental degradation caused by farming methods used by Chinese settlers unsuited to Tibetan conditions have important ramifications.

Some 90 percent of Tibet's river runoffs end up in the major rivers of India, China, Pakistan, Nepal, Bangladesh and Burma and Southeast Asia.

The Yellow River and Yangtze in China, the Indus in Pakistan and the Brahmaputra in India and Bangladesh have become among the most heavily silted in the world due to environmental degradation in Tibet.

Flooding from the Brahmaputra, for example, which receives a significant share of its waters from Tibet, formed over a third of India's total flood-affected area in the late 1980s.

A major problem is that ecological interference at Tibet's high altitudes tends to be irreversible, says Prakash. Regeneration of plant life is difficult because seedling formation can be slow in low temperatures. Thus the degradation of Tibet is serious and is leading to desertification in the eastern parts of the plateau.

The degradation of the plateau has other important global environmental implications as the area influences atmospheric circulation and jet-stream wind patterns over Asia.

Scientists believe it could affect monsoon rain patterns over India on which millions depend for their livelihood.

Meanwhile with seven out of 15 key minerals due to run out in China within this decade and major non-ferrous metals virtually exhausted on the mainland, the rate of mineral extraction in Tibet is rapidly increasing beyond sustainable levels.

Tibet has proven deposits of 126 minerals with a significant share of world reserves in lithium, Chromite, copper, borax and iron.

"The Chinese policy of unrestrained exploitation of Tibetan resources, supported by a road network that is intended in part to link up mining areas with Chinese industrial zones and markets to the East, have laid the foundation for large-scale mining projects," says the report.

Researchers believe that the environmental damage caused by Chinese mining operations in Tibet mirrors that in China where few environmental safeguards exist.

Erosion could be a serious problem where roads and mining have cut into fragile slopes.

Deposits of coal estimated at more than 250 million tons are also being mined extensively across Tibet, including remote areas now connected by roads in West Tibet, such as menshi Colliery in Ngari and Shigatse.

The distribution and use of coal for domestic and industrial purposes is adding considerably to atmospheric pollution, particularly in Eastern Tibet.

The fear is that Lhasa may soon see urban pollution levels as high as those in Chinese cities which top world league tables, although Tibetans have never been traditional users of coal or fuel.

The report also points to other dangers. "The disposal of nuclear and other toxic waste in hazard-ridden surface sites with minimal safety measures, is contaminating parts of the Tibetan Plateau," it says.

"Tibetans from Amdo have reported extensive and inextinguishable pollution of land and water, widespread deaths from mysterious causes after fever, vomiting and dysentery and deformed human and animal births."

Another issue is the impact of Chinese chemical warfare experiments in Tibet, openly reported in the Chinese



press. However, no mention is made of their impact on vegetation, human life and wildlife.

In 1991, the U.S. environmental group Greenpeace revealed plans to ship toxic municipal sludge from the U.S. to China to use as "fertiliser" in Tibet. Part of an official Chinese policy is to encourage rich countries to dump dangerous wastes in Tibet in exchange for foreign currency.

Evidence also exists that Tibetan farmers were forced to use toxic fertilisers by the Chinese authorities in order to increase crop yields to support the increased influx of Chinese settlers.

Perhaps to ward off criticism of its policies in Tibet, China announced "substantial" environmental aid to the region just weeks before the Earth Summit.

Said Tempa Tsering: "If there is any kind of economic project which would help the Tibetan people, we would welcome it. But from our experience these projects do not help us. What actually happens is that it assists the settlement of even more Chinese, which is worse, not better for the ecology of Tibet."

#### **Government Denies Tibetan Nuclear Pollution**

*HK0906095692 Hong Kong WEN WEI PO  
in Chinese 2 Jun 92 p 2*

[By staff reporter Chen Chien-ping (7115 1696 1627): "To Keep Soil Pure, No Nuclear Power Station To Be Built in Tibet"]

[Text] Beijing, 1 Jun—An authoritative person disclosed here today that the central authorities have long decided to protect Tibet as a pure land without any nuclear pollution. Therefore, since the founding of the PRC, the relevant Chinese department has absolutely not buried nuclear waste in the Tibet region and has not even approved a proposal of the Tibet Autonomous Regional Government for building a nuclear power station in Tibet.

This authoritative person emphatically pointed out: Based on the above fact, the assertion spread abroad by the Dalai Lama on what he called nuclear pollution in Tibet is a purely fabricated rumor.

He told this reporter: In the mid-1980's, the Tibet Autonomous Regional Government proposed building a small nuclear power station in Lhasa. Because Lhasa's geographical conditions, weather, and environment for building a nuclear power station are good, it is an ideal site suitable for building a nuclear power station. When making the above proposal, the Tibet Autonomous Regional Government raised a detailed suggestion demanding that the power of the nuclear power station should be equivalent to a nuclear submarine's.

The relevant central department seriously examined and discussed Tibet's proposal. The Ministry of Nuclear Industry approved it and Tibet's religious personalities,

including Ngapoi Ngawang Jigme and others, agreed. Subsequently, however, when this project was submitted to the Chinese International Engineering Consultant Corporation (Editor's note: All major projects in China should be examined and approved by this corporation), the corporation raised the following opinions to the central authorities after serious examination: The reasons and conditions for building a small nuclear power station in Lhasa are correct, but we hope that the central authorities will consider that Tibet is a region without any nuclear pollution. Therefore, no nuclear power station should be built here. The central authorities' decision was this: To protect this pure land from nuclear pollution, not a tiny trace of nuclear pollution should be allowed to exist in this region, and the construction of a nuclear power station in Tibet is not approved.

This person said: After the central authorities made this decision, they allocated a special fund for the construction of a hydropower station to solve electric power supply in the Lhasa area; a huge fund was invested to cut through mountains and dig tunnels to divert water for electricity generation. The investment was twice that for the same scale of a nuclear power station. He added: The central authorities' attitude and methods to handle the construction of a nuclear power station in Lhasa fully reflect China's concern for controlling nuclear pollution and also powerfully prove that there is no nuclear pollution in Tibet.

#### **North Region**

##### **Bu He Speaks at Government Plenary Meeting**

*SK0606051392 Hohhot NEIMENGGU RIBAO  
in Chinese 6 May 92 pp 1,2*

[By reporter Wang Rantong (3769 3544 1749) and correspondent Ma Luxia (7456 7216 7209): "Deeply Study, Take Rapid Action, and Implement the Work Firmly"]

[Text] On 5 May, the regional government held an enlarged meeting of government officials. Bu He, chairman of the regional government made specific plans for continuously deepening the study of guidelines of the plenary session of the Political Bureau of the CPC Central Committee and Comrade Deng Xiaoping's important speech and for comprehensively implementing the guidelines of the fifth enlarged plenary session of the fifth regional party committee and the fifth session of the seventh regional people's congress. Liu Zuohui, vice chairman of the regional government, presided over the meeting. Alatanaoqier, Zhao Zhihong, Yi Junhua, and Yun Bulong, vice chairmen of the regional government, attended the meeting.

Bu He stressed at the beginning of the meeting that all localities and departments must implement the guidelines of the "government work report" adopted at the fifth plenary session of the fifth enlarged plenary session of the regional party committee and the fifth session of

the seventh regional people's congress and grasp it as the current central task. He pointed out: To successfully implement guidelines of these two sessions, first of all, we must study them well. All departments should concentrate a certain period of time on organizing the broad masses of cadres to deeply study Comrade Deng Xiaoping's important speech, and on the basis of thoroughly understanding the essence of the guidelines, conscientiously study Comrade Wang Qun's report given at the fifth enlarged plenary session of the fifth regional party committee and the "government work report." During the study, it is necessary to guard against formalism, strive to adopt some new methods and forms, integrate theory with practice and understanding with practice, and create a new study atmosphere. All departments should clearly define the tasks which they should undertake in line with the plans for future work mentioned in these two reports, break down the plans and implement them at the lower levels, and mobilize the people of all sectors to organize efforts to implement them. To determine whether we have achieved actual results in the study, the crucial issue involved is to see whether leaders at all levels and the broad masses of cadres have raised their consciousness on reforms and opening up, their ideology and concepts have been renewed, and their work enthusiasm, initiative, and creativity have become greater than ever. All in all, we should strive to improve the mental outlook of all departments and the broad masses of cadres and greatly improve their practical work through this study.

Bu He pointed out: All departments and units should realistically implement all their tasks in line with the principle of each performing his own duties and setting his own work priorities.

First, all departments in charge of comprehensive economic work and industrial and communications departments should realistically implement all measures for delegating powers and conscientiously grasp all sorts of work on deepening enterprise reform and changing enterprise operational mechanisms. Regarding how to change government functions and implement the "enterprise law," the regional party committee and the regional government have already worked out a series of stipulations and put forward demands, which will involve many departments. The departments involved should put forward specific implementation suggestions of their own departments and issue formal documents to all localities for implementation if necessary. The implementation suggestions of relevant departments on simplifying administration and delegating powers must be reported to the regional government for a record prior to the end of May. While simplifying administration and delegating powers, all relevant departments should give special attention to guiding and helping enterprises with difficulties in operation and serious deficits, make specific analysis, and purposefully adopt different measures to deal with different cases. For example, we should step up our efforts to readjust and install leading bodies if necessary; improve all imperfect responsibility systems;

and actively adopt relevant measures for product mix and product quality if they have problems. We should pay great attention to raising the product quality, regard it as one of the important links in our region's economic development, and grasp it with real effort. While giving priority to changing the operational mechanisms of large and medium-sized state enterprises, we should also adopt more flexible and diversified forms among the numerous small and medium-sized enterprises. For example, we may boldly implement such forms as auctioning, leasing, and merging some small enterprises running in the red, and enable them to witness a new change as quickly as possible.

Second, we should continue to grasp the rural and pastoral work well. In agriculture and animal husbandry, while guaranteeing the fulfillment of grain and livestock production, we should prominently grasp the readjustment of production set-up and product mix and develop township enterprises and ensure that the annual average per-capita net income of peasants and herdsmen will increase by more than 50 yuan. In this respect, departments concerned should propose specific implementation plans and guide all localities to implement them. To guarantee the realization of the objective of making the annual average per-capita net income of peasants and herdsmen increase by 50 yuan or more, all relevant departments should put forward rigid measures and all localities should provide relative guarantees for their work. The fulfillment of this rigid task should be considered one of the important tasks for assessing cadres at all levels this year.

Third, we should further expand domestic and foreign trade, do a good job in building the market system, and strive to achieve fairly great progress in implementing the coastal development strategy. In this aspect, the "government work report" has already made an overall plan in line with the guidelines of the fifth enlarged plenary session of the fifth regional party committee. We should put it into practice as soon as possible and grasp it until good results are achieved. This requires us to do a great deal of organizational and coordinated work and to implement it specifically. In introducing investment from abroad and establishing lateral ties at home, we must fix the amount and quotas in line with our own reality, and step up our efforts to implement it; to further expand the opening up of the border areas, we must mobilize the efforts of all sectors, continue to pay attention to building country fairs and the markets for various essential production factors, and exert strenuous efforts to grasp the sales of products while grasping the building of the market system. In addition to guaranteeing that no stockpiling of new products will be seen, we should also basically handle all stockpiled goods of the past.

Fourth, we should further deepen reform of the educational, cultural, public health, sports, and other social work and unceasingly strengthen motivation and vitality to serve economic construction and promote self-development.

The reform of all social undertakings must be coordinated with the reform of the economic system. All effective economic departments should delegate powers to enterprises, and the educational, cultural, public health, and effective sports departments should also delegate powers to the lower levels, actively promote the institution president and dean responsibility system in secondary specialized schools, scientific research institutes, cultural and art groups, and medical and public health units, and enable them to realistically assume the responsibility of managing and developing themselves and shoulder the duties entrusted by the higher levels. At the same time, all universities and secondary specialized schools, scientific research institutes, cultural and art groups, medical and public health units should draw the experiences of enterprises in changing operational mechanism and step up efforts to reform all internal systems. The heart of the matter is to solve the issue of to each according to his work, and to link the wages and bonuses of workers with their workload and actual contributions. To enhance the vitality of these units, we must allow them to expand their business scope and to run some economic entities that provide various social services.

Fifth, all government departments should actively and voluntarily reform the structure of their own departments. In addition to grasping the work of the whole region, all departments should also grasp the internal reform of their organs firmly and well. In reforming organs, all departments should not wait for the regional unified plans. Instead, they should put forward their own reform plans in line with the actual situation of their own departments, grasp their work, and blaze new trails boldly. In running economic entities in particular, they should take prompt actions and install competent cadres to specially grasp the work in this aspect. We should recognize that if we fail to grasp this work, it is impossible for us to streamline the office personnel and to carry out structural reform. Therefore, in running economic entities, all departments should not have any worries. They should boldly manage and do anything that does not violate state laws and regulations but is helpful in reducing the overstaffing of administrative organs and mobilizing the enthusiasm of the broad masses of staffers and workers.

Sixth, the supervision, auditing, public security and judicial departments that provide supervision and guarantees should further relax policy restrictions in various aspects in line with the demand of safeguarding reforms, opening up, and economic construction. It is necessary to clear up and abolish some old regulations which are incompatible with the present guidelines and demands. All supervision and security departments should not inspect enterprises without approval. We should interfere to prevent some departments from recklessly inspecting enterprises and collecting service charges from them and serve as a powerful backing to support reforms and safeguard the interests of enterprises. All supervision and security departments should strive to create a more relaxed environment in our region than other localities through their own efforts, provide convenience and create conditions for all people to blaze new trails, to conduct experiments, and to work boldly in reforms and opening up.

Bu He stressed that efforts should be made to properly handle the relationships in various aspects in the course of implementation. First, we should correctly handle the relationship between rate and efficiency; second, the relationship between delegation of power and rigid control; third, the relationship between discussing principles and ideological guidelines and dealing with concrete matters relating to work; fourth, the relationship between correctly studying the experience of other localities and popularizing local experience; and fifth, the relationship between persisting in reforms and opening up on one hand and dealing severely with economic crimes on the other hand.

Bu He called on all departments and bureaus to take actions immediately, implement all aspects of work, and enable the higher and the lower levels across the region to rapidly create a new situation of implementing the guidelines of the fifth enlarged plenary session of the fifth regional party committee and the fifth session of the seventh regional people's congress with actual deeds.

Yi Junhua, vice chairman of the regional government, touched on his specific views on how to successfully reform the setting-up of organizations.

Responsible persons of various regional committees, offices, departments, and bureaus attended the meeting.



### Scientists' Delegation Departs for Taiwan Visit

OW0606140692 Beijing XINHUA in English  
1332 GMT 6 Jun 92

[Text] Beijing, June 6 (XINHUA)—A group of six leading scientists of the mainland of China left Beijing by air this morning for a visit to Taiwan at the invitation of Wu Ta-yu, a well-known Taiwan physicist.

This is the first time for a group of scholars from the mainland of China to visit Taiwan since 1949, when the People's Republic of China was founded.

The group consists of Tan Jiazhen, Wu Jieping, Zou Chenglu, and Zhang Cunhao, who are all well-known scientists and division members of the Chinese Academy of Sciences, and noted agronomist Lu Liangshu as well as renowned physicist Hua Zhongyi and his wife.

During their eight-day tour of Taiwan, the scientists will have academic exchanges with their Taiwan counterparts and visit a number of research institutes, schools of higher learning and enterprises.

### Commentary on Trip's Significance

OW0706164892 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 6 Jun 92

[Commentary by station editor Shen Jianyi; from the "News and Current Events" program]

[Text] For the first time, a group of six prominent mainland scientists will visit Taiwan to carry out academic exchanges with scientists on the island. The visit will open the door for scientific-technological exchanges between the mainland and Taiwan. It is an important step in promoting scientific-technological exchanges between the mainland and Taiwan and an important indicator that scientific-technological exchanges between the mainland and Taiwan will reach a new stage.

The Taiwan trip made by the six prominent mainland scientists will produce far-reaching influences on the development of scientific-technological exchanges between the mainland and Taiwan. The practical significance of the trip is far greater than the trip itself.

Since 1987, when authorities in Taiwan permitted countrymen in Taiwan to visit their families on the mainland, academic exchanges between scientists on the mainland and Taiwan have never ceased. These exchanges include comprehensive and specialized exchanges, exhibitions of scientific and technological achievements, training classes, technological trade, and cooperation in compiling works of specialized subjects. These exchanges have created more opportunities of contacts between scientists and technicians on the mainland and Taiwan and broadened the spheres of scientific-technological exchanges between the mainland and Taiwan.

We should be able to see, however, that those exchanges remained unilateral and that greater results were unattainable.

Now, the efforts made by people in the scientific-technological circles and people with foresight on the mainland and Taiwan have eventually created a good beginning for a bidirectional development of scientific-technological exchanges between the mainland and Taiwan. This significant development should be acclaimed by countrymen on both sides of the Strait.

We sincerely hope that the Taiwan authorities will understand the great benefits that bidirectional development of mainland-Taiwan scientific-technological exchanges will have on both the mainland and Taiwan, clearly realize the inevitability of bidirectional scientific-technological exchanges between the mainland and Taiwan, and facilitate—and not obstruct—scientific-technological exchanges between the mainland and Taiwan so that cross-strait exchanges can develop soundly.

We also wholeheartedly wish that people within scientific-technological circles on the mainland and Taiwan will cherish the current development of exchanges, make constant efforts to sum up their exchange experiences, and work hard together to upgrade the scientific-technological level of Chinese people so that the development of exchanges will reach another stage where both sides will start scientific and technological cooperation, so that scientific and technological successes achieved by the two sides will produce positive effects on their economic development, and so that Chinese people can confidently face the 21st century, in which countries throughout the world will test their scientific, technological, and economic strengths in all fields.

### Statement Urges Depoliticizing Environment Actions

OW0606085292 Taipei CNA in English  
0807 GMT 6 Jun 92

[Text] Taipei, June 6 (CNA)—The Taiwan delegation to the Earth Summit issued a solemn statement Friday calling for de-politicizing global environmental activities, according to a CNA report from Rio de Janeiro, Brazil.

The statement said the Republic of China, all through its growth years, has been mindful of environmental protection. "While reaching a level of national well-being reflected by its bulging foreign exchange reserves rivaled only by the might Japan," it noted, "Taiwan has also made remarkable progress in fighting against environmental pollution."

The statement indicated that Taiwan has joined in many global environmental research plans, such as International Geosphere and Biosphere Programme (IGBP), World Climate Research Programme (WCRP) and many of their core projects.

To date, the statement said, Taiwan has reduced CFC (carbonfluorinechloride) consumption by 30 percent. Programs are also underway to limit the emission of carbon dioxide from the burning of fossil fuels.

Despite all its efforts in development and environmental protection, the statement said, Taiwan is finding its circumstances increasingly difficult. The statement lamented that Taiwan is excluded from all international environmental functions. Because it is not a member of the United Nations, Taiwan has yet to gain the acceptance of the world community into its conventions and accords.

"The pressure from Communist China has been incessant on the UN to keep Taiwan banished as an outcast even in international endeavors as noble and supposedly apolitical as global environmental protection," the statement complained.

It pointed out that Taiwan has sent a delegation to Rio to plead its case in front of the world. "Its contention is simple and basic: There is only one world in which mankind lives, and the sustainability of this world is a monumental task requiring all-out efforts by all concerned."

"Any country able and willing should be welcome and be recognized for its contributions, whether it is a UN member or not," the statement stressed.

Another CNA report from Rio said Chao Shao-kang, director of the Environmental Protection Administration and leader of the Taiwan delegation to the Earth Summit, met with his American counterpart William K. Reilly yesterday. Chao told Reilly that Taiwan is more than willing to abide by all international agreements on

environmental protection in order to usher in an environmentally sound world economy. "But Taiwan insists that it be treated fairly and justly even though it is not a UN member," he stressed.

In response, Reilly said the US Government is fully aware of Taiwan's stance on the issue and willing to help Taipei gain a say in international environmental functions.

In Taipei, a ranking economic affairs official said that the government has decided to send a delegation to a Montreal Protocol meeting scheduled to be held in Geneva early next month. Signed in 1987, the multilateral Montreal Protocol aims to restrict the use of ozone-depleting CFC products. The upcoming meeting will map out a timetable for eliminating CFCs. Although Taiwan is not a contracting party to the protocol, it is determined to limit its CFCs consumption to world standards and will eventually phase out the environmentally-hazardous chemicals.

### Visiting Minsk Mayor To Promote Tourism

OW0806101092 Taipei CNA in English  
0751 GMT 8 Jun 92

[Text] Taipei, June 8 (CNA)—Mayor Aleksandr Dzherasimenko of Minsk, the capital city of Byelrussia, accompanied by three Minsk city officials, arrived in Taipei Sunday for a week-long visit to the Republic of China.

Dzherasimenko and his aides, including Deputy Mayor Petr Nikitenko, will meet with Taipei Mayor Huang Ta-chou to discuss details on establishing sisterhood ties between Minsk and Taipei, and seek opportunities to promote tourism.

During their stay, the Minsk officials will call on Vice Foreign Minister John Chang [Chang Hsiao-yen] and Speaker Chen Chien-chih of the Taipei City Council. They will also visit some economic and cultural institutions in Taiwan.

### Dissident Leader Receives Five-Year Imprisonment

OW0906081692 Taipei CNA in English  
0743 GMT 9 Jun 92

[Text] Taipei, June 9 (CNA)—Leading dissident Chang Tsan-hung was sentenced to 10 years behind bars Monday for sedition and attempted murder. The sentence was commuted to five years in jail.

The Taiwan high court said Chang, chairman of the World United Formosans for Independence (WUFI), had confessed to his role in WUFI, an outlawed seditious group. Chang told the court that he had not used violent means to promote Taiwan independence. He also denied that he had ordered Wang Hsing-nan to send a mail bomb to attack then Vice President Hsieh Tung-min in 1967.

The court cited Wang's testimony at a military court in 1977 that he had been instructed by Chang to send the mail bomb to Hsieh, which wounded him in the hand. Wang made the testimony in the presence of his father and legal assistants, an indication that he did not do so under duress, the court said.

Judge Tai Chung-liu said that Chang and Wang had been accomplices in sending three mail bombs to government officials in Taiwan, though only one of them caused injury. Tai said he meted out a heavy penalty because of solid evidence that Chang had attempted to murder. As to Chang's request for medical treatment on bail, the presiding judges said they had not received relevant data and so could not make a decision at the moment. Chang himself was not present at the court to hear the sentence.

#### Reportage on Visit by Mainland Scientists

##### Visit Agenda Given

OW0606091492 Taipei CNA in English  
0741 GMT 6 Jun 92

[Text] Taipei, June 6 (CNA)—Even Mainland Chinese scientists will arrive in Taipei Monday for an eight-day visit at the invitation of Wu Ta-you, president of Academia Sinica. They are scientists in genetics, chemical physics, medical science, biology, physics, agriculture, and mathematics from the Mainland Chinese Academy of Science.

While here, they will visit National Taiwan University, National Tsing Hua University, the Industrial Technology Research Institute, and other educational and science research institutes. Wu and some other scientists of Taiwan are now in Mainland China attending international science conferences.

##### CNA Previews Visit

OW0806093392 Taipei CNA in English  
0749 GMT 8 Jun 92

[Text] Taipei, June 8 (CNA)—Seven Mainland Chinese scientists are scheduled to arrive in Taipei Monday afternoon for a nine-day visit, organizers said Sunday.

Five of the seven are members of the Chinese Science Academy—Tan Jiazhen, a renowned geneticist; Zhang Cunhao, laser chemist and president of the National Natural Science Foundation; Wu Jieping, president of the International Urological Science Association; Zou Chenglu, an insulin expert; and Zou's wife Li Lin, a physicist.

The other two are Lu Liangshu, president of the China Agricultural Science Association; and Hua Zhongyi, president of Fudan University and chairman of the China Vacuum Association.

In addition to attending Academia Sinica activities, the seven mainland scientists will visit a hog raising institute, China Steel Corp., Taroko National Park, the Buddhist Tsuchi Association, and National Palace Museum.

The organizers stressed that their itinerary does not include visits to official organizations.

##### Group Arrives, Warmly Welcomed

OW0906081792 Taipei CNA in English  
0738 GMT 9 Jun 92

[Text] Taipei, June 9 (CNA)—Seven well-known Mainland Chinese scientists and their spouses arrived in Taipei Monday to the warm welcome of academic leaders of the Republic of China (ROC). The mainland visitors said upon arrival at the Chiang Kai-shek International Airport that they had come mainly in a hope to help promote academic exchanges across the Taiwan Straits.

Five of the seven are members of the Chinese Science Academy—Tan Jiazhen, geneticist; Zhang Cunhao, laser chemist and president of the National Natural Science Foundation; Wu Jieping, president of the International Urological Science Association; Zou Chenglu, insulin expert; and Zou's wife Li Lin, physicist. The other two are Lu Liangshu, president of the China Agricultural Science Association; and Hua Zhongyi, president of Fudan University and chairman of the China Vacuum Association.

"We will brief our Taiwan colleagues on the mainland's scientific development and visit renowned universities and academic institutes in Taiwan," they said in a prepared statement. "We are pleased and honored to be able to visit Taiwan as the first group of mainland scientists after 40 years of separation between the two sides of the Taiwan Straits," they added.

At 5:10 P.M. they arrived at the Academia Sinica, where they will stay for the coming nine days, and were warmly welcomed by the leaders of the ROC's highest academic institute. During a dinner at the grand hotel, presidential adviser K.T. Li said that he hoped the visit will mark a good beginning in cross-straits cultural and academic exchanges.

##### Lawmakers Question Visit by Mainland Army Officer

OW0606152292 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
4 Jun 92

[From the "Hookup" program]

[Text] The recent visit to Taiwan by Liu Ya-chou [Liu Yazhou], son-in-law of Li Hsien-nien [Li Xiannian], one of the eight senior leaders of Communist China, has become a common concern of ruling and opposition legislators because of his military position and exceptional status. Yesterday, the legislators questioned whether



the immigration department had been remiss, and they asked relevant departments to strengthen their coordination to prevent oversights.

In his reply to inquiries, Interior Minister Wu Po-hsiung pointed out: Relevant departments will strengthen their coordination to prevent similar incidents from recurring. Regarding the Liu Ya-chou case, policymaking departments naturally will be penalized if thorough investigations prove that they have indeed been administratively remiss.

(Liu Tung-chun), spokesman of the Interior Ministry's Bureau of Entry and Exit stressed: The Bureau of Entry and Exit has established records and information only on higher level party, government, and military personnel of Communist China. There are too many colonels on the mainland, and they are not all listed on the records. Therefore, it was absolutely impossible to check Liu Ya-chou's rank of colonel without any information from the department that invited him.

#### MAC Figure Views Visits by Mainland Officials

OW0806082892 Taipei CNA in English  
0742 GMT 8 Jun 92

[Text] Taipei, June 8 (CNA)—Mainland Affairs Council [MAC] Vice Chairman Ma Ying-jeou said Sunday that the government will gradually loosen restrictions on Communist Chinese officials' visits to Taiwan.

Visits here by full-time Communist Party, State Council and other administrative officials as well as People's Liberation Army officers are still banned, Ma said.

But visits here by professionals with membership of the Chinese Communist Party or of the National Committee of "Chinese People's Political Consultative Conference" will be allowed on a case-by-case basis, the MAC vice chairman said.

Under the Chinese Communist system, most mainland scientists, artists and cultural workers have communist party or political consultative conference membership, Ma noted.

"We must not have our hands tied if we want to promote cross-strait exchanges," he said.

The visit here last week of Liu Yazhou, a son-in-law of Li Xiannian, one of the Peking regime's "eight senior leaders," has caused concern about the government's mainland policy.

Liu is a member of the International Pen Club's China branch. Ma said Liu's background should not be a cause for not allowing him to visit here.

#### Rules Set on Cross-Strait Technology Transfers

OW0906092192 Taipei CNA in English 0755 GMT  
9 Jun 92

[Text] Taipei, June 9 (CNA)—Vice Economic Affairs Minister P. K. Chiang said Monday that his ministry has drawn up regulations to govern technological exchanges between the two sides of the Taiwan Strait.

The new regulations comprise articles governing the entry of mainland engineers and scientists, cross-strait trade in high-tech products, royalty payments, registration of patents and trademarks, and other related issues that may arise from cross-strait technology transfers, Chiang explained.

The new rules are still subject to approval by the Mainland Affairs Council, Chiang said.

Several leading economists have urged the government to encourage Taiwan companies to employ mainland-developed industrial technologies to help upgrade industries here.

#### LIEN HO PAO on Results of No. 4 Document

OW0606184092 Taipei LIEN HO PAO  
in Chinese 3 Jun 92 p 1

[By Lai Jinhong (6351 6930 1347), special correspondent in Beijing]

[Text] Beijing, 2 Jun—The CPC Central Committee Political Bureau called an enlarged meeting in mid-May to discuss the important instructions that Deng Xiaoping made in his talks during his trip in southern China early this year and to turn the guidelines in the talks into policies to be executed. The meeting reached a major decision that has been officially transmitted to lower authorities as "CPC Central Committee Document, No. 4." According to relevant authorities, the document will trigger substantial changes in economic reform, further turning the economic structure into one with mechanisms of a market economy.

The No. 4 Document will be the start of an overall readjustment of the Chinese Communist authorities' administrative and economic structures. The document urges coastal and interior China to open up to the outside world in all fields, substantially trim the staff of party and government departments, and give all provinces and municipalities even greater autonomy and developmental authority. The document is based on Deng Xiaoping's instructions and fully embodies the guidelines of the No. 2 Document of the CPC Central Committee. The fact that the document calls for actual implementation of the instructions Deng made during his tour in southern China early this year shows that the upper levels of the Chinese Communist hierarchy have achieved a political balance and compromise in its disputes over ideology and the reform and opening-up policy.

The enlarged meeting of the CPC Central Committee Political Bureau, which took place on 16 May, discussed the talks that Deng Xiaoping made during his southern China tour and his recent instructions: "The economy should develop even faster, and what can be developed should not be stopped"; "developed areas should continue to expedite their development, and undeveloped areas should open up as early as possible so they can demonstrate their developmental potentials." Jiang Zemin, Li Peng, Yang Shangkun, and many other members and Standing Committee members of the Political Bureau were present. While some attendees still underscored the need to "proceed steadily," the majority of attendees maintained that "if we dare not do our work boldly, we will lose the opportunity." After repeated discussions, the reform supporters gained the upper hand regarding the policy of and measures adopted for accelerating economic reform and opening-up, and the meeting called on CPC members to reach a common understanding.

A decision, which was made after the discussions, was transmitted to all provincial authorities and corps-level military units in the form of "CPC Central Committee Document, No. 4" on 25 May. The 6,000-character document has these four major parts: Switch mechanisms; open up wider to the outside world; issues must be attended to earnestly; and change government responsibilities and functions.

The document pointed out that, in the future, not only special economic zones along the coast, open coastal cities, and economic and technological development zones, but also interior China and border regions should accelerate their pace of opening up to the outside world. Moreover, the document calls for decontrolling the tertiary industry, increasing the percentage of tertiary industry's output value in the gross value of industrial output, and accelerating commercial circulation. Furthermore, the document calls for substantial cuts of personnel in central party and government departments in order to reduce their bloatedness and overstaffing problems. It says that displaced personnel should be reassigned to economic departments and institutions.

The document discloses that central authorities will grant localities greater autonomy and rights for economic development and grant all provincial and municipal authorities greater authority to approve economic projects so as to increase localities' economic vitality.

After the enlarged meeting, CPC General Secretary Jiang Zemin wrote a letter to some senior CPC leaders and members of the Political Bureau Standing Committee, saying that the most important issue in implementing Deng Xiaoping's instructions is to provide guidance to people's initiative in carrying out the reform and opening-up policy. Jiang Zemin stressed in his letter that efforts should be made to accelerate the work of replacing large- and medium-sized state enterprises'

operating mechanisms, separating enterprises from government control, enabling enterprises to gear their operations to market needs, making great efforts to develop tertiary industry, and creating conditions for streamlining officials departments. He also stressed the need to emancipate the minds, work with daring, take firm steps, do meticulous work, and guard against formalism. CPC members and cadres are urged to study Jiang's letter, which has been issued to all party organizations.

### President Li Inspects Armed Forces in South

OW0606091292 Taipei CNA in English  
0738 GMT 6 Jun 92

[Text] Taipei, June 6 (CNA)—President Li Teng-hui inspected troops in Tainan and Kaohsiung, southern Taiwan, Friday and dined with them to celebrate the dragon boat festival.

Accompanied by National Defense Minister Chen Li-an, chief of the general staff Liu Ho-chien, and other officials, president Li inspected Navy, Air Force, and armored troop units as well as a community of military dependents in the region.

Addressing a Marine Corps unit in Kaohsiung, Li said the government's purpose to end "the period of mobilization for the suppression of communist rebellion" last year is to unify China in a peaceful way.

"To accomplish our mission of national unification, we must strengthen our Armed Forces, prosper our economy, and enhance our unity of purpose," he said. He expressed deep appreciation to the troops for their contribution to the enhancement of national safety.

### Nation Adopts Mainland Technology Import Rules

OW0606143892 Taipei Voice of Free China  
in English 0200 GMT 5 Jun 92

[From the "News and Commentary" program]

[Text] The Ministry of Economic Affairs has drawn up guidelines to govern the introduction of mainland's industrial technology into Taiwan, a ranking official reported Wednesday.

Vice Economics Minister Yang Shih-chien said the rules will facilitate cross-strait technological exchanges. According to the guidelines laid down by the Economics Ministry, staff of mainland enterprises and research institutes will be allowed to visit Taiwan to transfer technological know-how to their local counterparts. Indirect import of mainland merchandise related to the proposed cross-strait technological transfer will also be permitted. However, Yang said, mainland corporations will be banned from holding a stake in Taiwan companies to which they have transferred technological expertise. On the other hand, Taiwan enterprises intending to import mainland technology must first apply for government permission to local research organizations.

Research institutes will scrutinize whether the technology introduced will be useful to Taiwan. Local firms can enjoy tariff reductions for all funds they have spent on such technological transfers.

### Council Outlines Benefits of Overseas Investments

OW0806084792 Taipei CNA in English  
0810 GMT 8 Jun 92

[Text] Taipei, June 8 (CNA)—Taiwan has so far benefited from overseas investments, the Council for Economic Planning and Development (CEPD) reported Sunday.

Direct Taiwan investments abroad reached US\$3.08 billion between 1959 and 1990, with the United States and Southeast Asia as the most popular investment destinations, according to a recent CEPD study.

The cabinet-level council said overseas investments have increased rapidly since 1987 partly because of the dramatic appreciation of the new Taiwan dollar and changing domestic economic situation.

In 1990 alone, overseas investments reached US\$1.55 billion, exceeding the total amount of previous years, the CEPD said. Taiwan saw an additional capital outflow of US\$1.02 billion in the first half of 1991.

America took 52 percent of Taiwan's direct overseas investments and Southeast Asian nations as a whole absorbed about 32 percent.

In recent years, investments in Southeast Asia have increased even more rapidly than in America, the CEPD noted.

Taiwan industrialists have invested in the United States mainly to expand their market shares there or to obtain advanced technical know-how. Such investments are expected to help expand the business scale of local companies and to contribute to Taiwan's overall economic development, CEPD officials said.

Investments in Southeast Asia are mostly aimed at cashing in on cheap labor and natural resources there, the officials noted. The relationships between Taiwan-invested ventures in Southeast Asia and their parent companies at home belong to "vertical" division of labor. This kind of investment usually aims to reduce production costs and to expand sales to third countries. Over the long run, this kind of investment may affect Taiwan's exports to third countries or even to enhance competition in the home market, the officials said.

They pointed out that overseas investments have so far done more good than harm to the Taiwan economy. But

they cautioned that local manufacturers must continue to upgrade technologies and product quality. Otherwise, they added, overseas investments, particularly those in Southeast Asia and Mainland China, might eventually undermine Taiwan's international competitiveness.

### Gold Imports See 'Substantial Growth' Over '91

OW0906082492 Taipei CNA in English  
0749 GMT 9 Jun 92

[Text] Taipei, June 9 (CNA)—Gold imports to Taiwan amounted to 17,983 kilograms at a value of US\$196 million in May, the Ministry of Finance (MOF) reported Monday. The figures represented a substantial growth as compared with the same period of a year earlier, during which Taiwan imported 9,866 kilograms of gold products worth US\$114 million, MOF officials pointed out.

Of May's gold imports, MOF tallies showed, gold bars and ornaments took 17,786 kilograms valued at US\$194 million. The imports mainly came from the United States, Britain, Switzerland, Hong Kong, and Korea. In the same month, inbound gold coins, mostly from Switzerland, Australia, and Britain, totaled 197 kilograms at a value of about US\$2 million.

The MOF officials attributed the impressive increase in gold imports last month to the plunge of gold prices on the world market. Aggregate gold imports in the first five months of the year reached 91,473 kilograms valuing US\$1.02 billion.

### Nation To Implement Health Insurance Program

OW0906082192 Taipei CNA in English  
0746 GMT 9 Jun 92

[Text] Taipei, June 9 (CNA)—President Li Teng-hui said Monday that the scope of health insurance in Taiwan should be enlarged step by step so that the national health insurance program could be fully implemented by 1994.

The president made the instructions in his capacity as chairman of the ruling Kuomintang (KMT) at a high-ranking party meeting, which reviewed the progress of the national health insurance program. Present at the meeting included Vice President Li Yuan-zu, Premier Hao Po-tsun, KMT Secretary General Sung Chu-yu and Interior Minister Wu Po-hsiung.

The KMT chairman said to have all citizens covered by health insurance by the end of 1994 is an important government policy, according to legislator Wang Chin-ping who also attended the meeting. Li asked the executive branch to improve the management of various health insurances and to reduce deficits, Wang said.



## Hong Kong

### Li Peng, Hong Kong Governor View Transfer

OW0806125892 Beijing XINHUA in English  
1235 GMT 8 Jun 92

[Text] Beijing, June 8 (XINHUA)—Chinese Premier Li Peng said here today that China will continue to enhance cooperation with Britain in order to ensure a stable transition and smooth transfer of power in Hong Kong.

Li made the pledge this afternoon at the Great Hall of the People during friendly talks held with Sir David Wilson, the visiting governor of Hong Kong.

Li extended a warm welcome to Lord Wilson who is on his last visit to the Chinese mainland as the governor of Hong Kong.

According to official sources, Li said safeguarding the long-term stability and prosperity of Hong Kong is the common goal of both China and Britain, and is the common aspiration of Hong Kong residents. He added that such action also conforms to the interests of foreign investors in Hong Kong.

Li went on to say that China will continue to strengthen cooperation with Britain on the basis of the Sino-British Joint Declaration on Hong Kong and the Memorandum of Understanding concerning the construction of a new airport in Hong Kong.

The premier expressed great appreciation for the positive efforts Wilson has made in promoting stability and prosperity in Hong Kong, and in helping strengthen mutual trust and cooperation between the two countries concerning the issue of Hong Kong.

Li referred to Wilson as an "old friend," and offered an open invitation for him to visit China after he steps down from his post as governor.

Li also provided a briefing on efforts to implement the remarks made by veteran leader Deng Xiaoping during his inspection tour of south China earlier this year.

Li pointed out that China depends on a peaceful international environment and political stability at home while undertaking development.

He noted that the present political stability and economic growth on the mainland will be favorable to a stable transition of Hong Kong.

He pointed out that stability and prosperity in Hong Kong will also help with economic development on the mainland.

Wilson said that Britain will continue to cooperate with China on the basis of the Sino-British Joint Declaration, and will seek to maintain continuity in the policies.

Li and Wilson also exchanged views on other issues of common concern.

Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, and Robin McLaren, the British ambassador to China, attended the meeting.

### UK Wants To Solve Airport Issue Within Month

HK0606061292 Hong Kong THE STANDARD  
in English 6 June 92 p A-1

[By Rain Ren]

[Text] Britain is determined to solve the controversial airport funding issue at the end of this month.

"No matter what China's response might be, we have got to solve this issue within a month," said the British government spokesman in Hong Kong Chris Osborne.

"Now, we are really worried if they still refuse to give us a proper response. We have to make them support it."

Mr Osborne said any further delays in approving the funding package for the \$46.3 billion airport and \$22.2 billion airport rail would not leave enough time for projects to be completed by July 1997.

He said informal Joint Liaison Group Airport Committee meetings were happening almost every day.

"But there is just no point having a formal Airport Committee meeting on this matter when it is obvious we are going to disagree," he said.

Mr Osborne admitted the progress in informal meetings was limited since the Chinese were still dissatisfied with the funding plan, which was handed to the Chinese side for comment on 3 April.

Under the plan the Government would inject \$13.6 billion equity into the Airport Authority and provide up to \$5.9 billion in callable equity to cover any exceptional problems.

The authority would raise \$23.3 billion in loans and expects private enterprise to contribute at least \$9.5 billion towards the development of major facilities like cargo, maintenance and catering.

For the airport railway, the Government will inject an extra \$3.7 billion into the Mass Transit Railway Corporation and provide up to \$12.5 billion in callable equity for specific adverse circumstances.

China is worried about soaring costs for airport core projects and is very unhappy with callable equity.

The bill for the airport and related projects stands at \$112.2 billion.

### Mainland Questions UK on Finances

HK0906042892 Hong Kong WEN WEI PO  
in Chinese 5 Jun 92 p 11

[Report: "Chinese Side Has Raised Three Questions on Financial Arrangements for New Airport Project"]

[Text] Our reporter learned from an informed source yesterday that the Chinese side has raised several questions with the British side on the financial arrangements for the new airport. These questions can be summed up in three main points: The first is how to control the scale of the project; the second is how to increase individual investments; and the third is how to earnestly organize funds in such a way that no huge debts will be incurred. Now the Chinese side is waiting for the British side's answers to these questions. The Chinese side will express its stand only after the British side provides answers to these questions in accordance with the spirit of the Memorandum of Understanding on the New Airport.

On the first question, the informed source said that the financial arrangements provided by the British side suggest that the scale of the new airport project is expanding and does not conform with the principle of the Memorandum of Understanding on the New Airport, which is "less investment, better results."

The Chinese side hopes that the British side will explain why this financial plan far exceeds the figures it provided to the Chinese side in the winter of last year. For example, why has the airport railway plan risen from 12.5 billion to 22.1 billion dollars [Hong Kong dollars]? The Chinese side has no intention of interrupting the progress of the project; instead it wishes to promote it. For example, the financial arrangements for the undersea tunnel in Western District, to be built with private businessmen's participation in exchange for 30 years' management, are feasible and will not cause a burden on the government of the Special Administrative Region [SAR]. The Chinese side has not raised a different opinion on these arrangements.

The Chinese side hopes that the financial plan will not cause an increase in capital investment; instead particular attention should be paid to cost benefit. The Chinese side hopes that the British side will provide feedback on the detailed figures of returns and debt repayments, to explain the results. If the expenditure is huge and the results are bad, this will be disadvantageous to the Hong Kong people; only an excellent cost recovery rate after investment will be advantageous to the Hong Kong people.

On the second question, the informed source pointed out that the data in the financial arrangements provided by the British side suggests that the British side is ineffective in raising the proportion of individual investment and has not taken positive measures to create conditions to increase individual investment as much as possible. If this is not changed, it will be really difficult to solve the problem of capital accommodation for the entire construction, nor will it be beneficial to improving results. Therefore the Chinese side hopes that the British side will take a more positive attitude to raise the individual investment proportion as much as it can. The more individual investment, the lighter the Hong Kong people's burden.

This informed source said that the first and second questions have posed the third question, namely how to organize funds.

In the Chinese side's opinion, organizing funds should proceed under the precondition of strictly controlling the project scale and raising the individual investment proportion as much as possible. Only in this way will we not rely on huge debts in organizing funds or shift the financial burden to the future SAR Government or to the Hong Kong people.

The spirit of the memorandum is that the financial reserves should not be used up and that the SAR Government should have fine operational conditions. If the financial reserves are used up before 1997, if the SAR Government is required to repay debts because there will be "possible debts," or if the SAR Government's taxation, income from land sales, and investment returns are used in advance, the financial reserves of 25 billion dollars [Hong Kong dollars] for the SAR Government will be empty talk. If the financial reserves are used up, this will, of course, be disadvantageous to the Hong Kong people.

The informed source said that the Chinese side's attitude on the new airport's financial arrangements is very explicit and consistent, namely, strictly abiding by the Memorandum of Understanding on the New Airport and earnestly considering and protecting the immediate and long-term interests of the Hong Kong citizens.

#### Editorial Views Financial Burdens

HK0706060692 Hong Kong WEN WEI PO  
in Chinese 6 Jun 92 p 2

[Editorial: "Will Airport Debts Affect Future Special Administrative Region's Finances?"]

[Text] An important principle specified by the Sino-British Memorandum of Understanding [MOU] on the new airport project in Hong Kong is that the project will not exhaust Hong Kong's financial reserves, thus causing some financial burdens to the special administrative region's [SAR] government and affecting Hong Kong's smooth transition. Therefore, the memorandum stipulates that the British side will retain HK [Hong Kong] \$25 billion of financial reserve for the SAR government, and will not contract debts over HK\$5 billion.

Since the MOU was signed last year, things have changed greatly. The British side kept saying that the Hong Kong Government had sufficient financial capacity to complete the new airport by 1997. However, it now plans to contract debts in large amounts and requires the SAR government to pay the debts. The reason is that the new airport cost is like a bottomless hole, and the budget has been continuously increased. The airport railway budget rose from HK\$12.5 billion to HK\$22.1 billion, an 80-percent increase. After tenders were invited for the Tsing Yi-Ma Wan Bridge and the West Kowloon reclamation project, the construction costs also rose 30 to 40 percent,

and the figure sharply increased from HK\$98.6 billion to HK\$112.2 billion according to the price level in March 1991. If the inflation rate is kept at 8.5 percent, then the construction costs in 1997 will reach HK\$200 billion. Moreover, it is strongly questionable whether the inflation rate can be kept at 8.5 percent. While facing such a huge amount of additional expenses, the Hong Kong Government has been trying every possible means to raise funds; what it can do is increase taxes or contract more debts.

However, if debts are contracts, they must be repaid. The debt payment time is arranged after 1997. After the British side set forth its financial arrangements and debt contracting plan, it urged the Chinese side to express support at an earlier date. That is, it wanted the Chinese side to bear the responsibility for repaying debts on the SAR government's behalf.

As a matter of fact, in the MOU, the Chinese side has already made a solemn promise on bearing HK\$5 billion of debts for the new airport project. Now, things have changed. The SAR government is required to bear over HK\$20 billion of "possible debts" [huo you fu zhai 2057 2589 6298 0280]. This means that it is required to agree that the HK\$25 billion of financial reserve left by the current Hong Kong Government can be used up in the name of "possible debts." The financial reserve left to the SAR government will thus become zero.

In 1997, when the SAR government is just founded, the transfer of government will mark a major change. If the financial reserve is used up at that time, the SAR government will be facing great difficulties. Residents who remain in Hong Kong will not be able to enjoy urban services, welfare, or education as they have in the past due to the resources shortage. The quality of their livelihood will become poorer, and this will also affect their confidence. Therefore, to ensure a smooth transition, to safeguard Hong Kong's prosperity and stability, and to guarantee the Hong Kong people's long-term interests, the Chinese side finds it very hard to recklessly agree to undertake the "possible debts" before careful consideration is made. All additional spending will be borne by the residents of Hong Kong, and this will also affect the SAR government's effective operation.

In recent years, the Hong Kong Government continued to increase its expenditures 12-15 percent every year. If this tendency continues, by 1997, the SAR government's expenditures will reach about HK\$230 billion. As an unwritten rule of the Hong Kong Government, the government must maintain about one-half of that year's expenditure as reserves to keep the level of financial safety. In the initial period of the government transfer, investment activities may slow down, and the government's revenue may decline. So keeping sufficient financial reserves is an important measure for keeping Hong Kong's stability. The reserve of HK\$25 billion will be just one-ninth of the annual expenditure. If the government will still have to bear the "possible debts," the SAR government will be in a more difficult condition.

Therefore, the construction costs of the new airport project must be brought back to a realistic term, and be brought into line with Hong Kong's financial capacity. The key to solving this problem lies in lowering the construction costs, appropriately controlling the project's scale, and increasing the proportion of private investment. The Chinese Government completely supports the project's completion on time, and also firmly implements the MOU's stipulations and principles. At present, the pressing matter is not to persuade China to support the increase in expenditure and the plan to increase expenditure; instead, it is necessary to realistically control the costs and manage to increase the proportion of private investment.

### Commentary Criticises UK Side

HK0806031692 Hong Kong WEN WEI PO  
in Chinese 8 Jun 92 p 12

["Short commentary": "They Must Not Shift Their Responsibility"]

[Text] Recently, the British Hong Kong Government, through various channels, urged the Chinese side to express support for the financial arrangements for the new airport project, and even tried to shift the blame to the Chinese side for the delaying of the project. It said that if the Chinese side still makes no reply to the financial arrangements for the new airport, the project will be delayed.

What a serious accusation! The Chinese side is now required to bear the blame for delaying the new airport project.

However, it is just a futile attempt to shift the blame to the Chinese side. The facts are very clear. The Chinese side has always supported Hong Kong's plan to build the new airport according to the Memorandum of Understanding. In this regard, the Chinese side has never caused any delay; instead, it has always taken a positive attitude. If the new airport project is delayed, the British side rather than the Chinese side must bear the blame.

As a matter of fact, as early as in June last year, shortly after the Sino-British Memorandum of Understanding was initialed, the Chinese side asked the British side to present detailed financial arrangements for the core projects of the airport at the earliest possible date. However, the British side began presenting some data in succession in March and April this year. Moreover, the figures were changeable, and the details incomplete. Some crucial parts were not mentioned clearly. After repeated urging by the Chinese side, the British side presented the data on the crucial parts just recently. After receiving these materials, the Chinese side immediately organized an expert group to study them, and widely listened to the opinions of various circles in Hong Kong. Very quickly, it raised three questions about the new airport's financial arrangements with the British side: First, controlling the scale of the project; second, increasing private investment; and third, effectively



raising funds to avoid contracting large debts. At present, the Chinese side is waiting for the British side's reply to these points.

The questions raised by the Chinese side show that China not only holds a positive attitude toward the construction of the new airport, but also gives full consideration to the immediate and long-term interests of the residents of Hong Kong. The Chinese side requires that the financial arrangements for the new airport be cost-efficient and bring benefit to the residents of Hong Kong, without leaving financial burdens to the future Special Administrative Region government. This principled position has been included in the Sino-British Memorandum of Understanding. The Chinese side will act completely in light of the Memorandum of Understanding.

At present, the British side has not yet given a reply to the questions raised by the Chinese side. Instead, it just urged the Chinese side to express support through various channels. How can it act in this way? This is not something concerning a figure of several tens of millions or a hundred million dollars [Hong Kong dollars], but a huge budget of several tens of billions or even a hundred billion dollars. The financial arrangements also concern the present and future well-being of the Hong Kong people. If the Chinese side expresses its attitude recklessly, the people in Hong Kong will not allow this to happen.

### Airport To Reap 'Impressive' Revenue

HK0906054092 Hong Kong SOUTH CHINA  
MORNING POST in English 9 June 92 p 1

[By Fanny Wong and Kent Chen in Beijing]

[Text] Hong Kong's new airport is expected to reap \$422.7 billion [Hong Kong dollars] by 2010, according to official figures—three times the revenue estimate for 1997, when Chek Lap Kok begins operation.

The impressive cash projections have been made available to Legislative Councillors as Britain steps up efforts to secure China's blessing for the airport's financial plan.

British officials are hoping the potentially strong financial position of the airport will help convince Beijing and Legislative Councillors to back an early start on the multi-billion-dollar infrastructure plan.

The Governor, Lord Wilson, made clear the need to begin work on the airport as soon as possible when he met the Chinese Prime Minister, Mr Li Peng, in Beijing yesterday.

Speaking after a 60-minute closed-door meeting in the Great Hall of the People, Lord Wilson said: "I made the point that we want to go ahead with the airport as quickly as possible. I think that is a common view of both sides.

"The Prime Minister (Mr Li) said it was also his wish. Our wish is to get on with building the airport in accordance with the Memorandum of Understanding as rapidly and as cost effectively as possible."

Under the financial package presented to the Chinese in April, Beijing is concerned at the amount of debt the post-1997 government will be left with as a result of the project.

Chinese officials are unhappy with soaring cost estimate for the airport railway projects, which has almost doubled from \$12.5 billion to \$22.5 billion in nine months.

They are also concerned about the need to provide callable equity, regarded as debt by China, totalling \$21 billion for the Mass Transit Railway and the future Airport Authority.

Under the memorandum signed last July, Hong Kong is to leave at least \$25 billion for the Special Administrative Region government and limit borrowing straddling 1997 to \$5 billion.

Lord Wilson said the Sino-British Joint Liaison Group's (JLG) Airport Committee had held a series of informal meetings, which he believed would continue.

"It doesn't really matter whether it is a formal meeting or informal meeting, what matters is that they should be discussing things and if there are problems to be ironed out, they should be ironing these out as quickly as possible."

It is understood the Provisional Airport Authority (PAA) has already provided Chinese representatives on the JLG's Airport Committee with the Chek Lap Kok revenue figures.

While stressing the airport's financial viability, the PAA estimates revenue of \$5.8 billion in 1997—more than double the income presently generated by Kai Tak.

The main source of income will be aeronautical charges and in-terminal concessions such as baggage handling, general retail and duty free liquor and tobacco, which would account for about 80 percent of the total operating revenue in 1997.

It is understood that the income levels are expected to rise rapidly after the opening of the new airport so that by the year 2000, the total revenue generated will add up to \$10.4 billion, jumping to \$17.3 billion in 2005.

Recurrent spending, however, is much lower, with PAA projections putting the amount at only \$1.2 billion in 1997.

This will rise to \$2.2 billion in 2000 and \$3.3 billion and \$5.9 billion respectively in 2005 and 2010.

Debt to be serviced, including repayment, interest and finance charges on the initial project debt, during the period is expected to peak in 2005 at \$7.7 billion.

The amount is forecast to be about \$4.2 billion in 1997 and \$7 billion in 2000.

It is understood that the PAA assumes that all project debt will be repaid by 2005.

A contributing factor to the Airport Authority's increasing revenue is the rise in aeronautical charges, which on the opening of the new airport will be three times the level, in real terms, being charged at Kai Tak in July 1989.

PAA officials maintain that while charges will be notably higher than those at Kai Tak, they will still be lower than at many other international airports, especially those in Europe and Japan.

**Local Groups To Support Democracy in Mainland**  
*HK0506104092 Hong Kong THE STANDARD*  
*in English 5 Jun 92 p A-5*

[By Stanley Leung]

[Text] Three local organizations still hold considerable funds they collected in 1989 to support China's 1989 pro-democracy movement.

Though the groups pledge to continue spending the funds in connection with the mainland's pro-democracy movement, some organizers are using them in more productive ways.

The Hong Kong Alliance in Support of Patriotic Democratic Movement in China spent about \$17.7 million [Hong Kong dollars] in the past three years, leaving a balance of \$8.7 million.

According to the alliance's latest statement, funds used to promote Chinese democracy dropped from \$10 million last June to \$8.7 million this April. During the 34-month period, the total revenue of the alliance, including donations and interest, amounted to \$26.4 million.

According to the statement, the fund amounted to \$18.9 million when the alliance was officially formed about three years ago.

The alliance is understood to be considering putting funds from low-yield bank accounts into businesses.

The second-largest fund to promote Chinese democracy is managed by the Hong Kong Federation of Students.

According to its latest statement, the fund stood at \$6.8 million at the end of April this year, compared with \$7.2 million last year. A special committee to manage the fund has approved 36 funding applications in 1991-92, involving \$880,000.

A smaller fund is also managed by the April Fifth Group, branded a "radical" organization in the promotion of democracy.

Lau Chi-lim, spokesman for the April Fifth Group, which also raised funds in 1989, said the fund had between \$100,000 and \$200,000.

He said about \$500,000, the bulk of the funds raised in April and May 1989, was confiscated three years ago when trade unionist Lee Cheuk-yan took the money to Beijing.

Since June 1989, he said, the donations which were meant to be used for supporting students, were spent on pro-democracy activities.

A portion of the fund was also used to support mainland dissidents fleeing to Hong Kong.

**Government Changes Refugee Detention Policy**

*HK0506105992 Hong Kong SOUTH CHINA*  
*MORNING POST in English 5 Jun 92 p 4*

[By Fiona MacMahon]

[Text] The Government has scrapped its powers to detain Vietnamese refugees as part of changes to the Immigration Ordinance gazetted yesterday, although refugee camps will keep nightly curfews.

Refugees living in the New Horizons departure centre—their home before they leave Hong Kong for resettlement overseas—have to be in the camp by 8 pm and need permission to go out during the day.

Those living in Pillar Point refugee camp have an 11 pm to 6 am curfew, although exceptions are made for refugees who work shifts. They have to sign in with security guards when they return to camp.

Under changes to the Immigration Ordinance, the Government has given up the right to detain refugees to bring the legislation in line with the Bill of Rights.

The Refugee Coordinator, Mr Clinton Leeks, said current arrangements requiring the Vietnamese to be in the camps every night were not onerous. He considered them reasonable.

He said it was important to keep tabs on the Vietnamese to ensure they were available for medical examinations and other checks before resettlement.

The administration also announced changes to the ordinance covering the detention of boat people, including a change in reference from "boat people" to "migrants".

The changes include a new provision for boat people to meet legal advisers. There is no provision under existing detention center rules.

Now lawyers can visit any camp to interview any boat person. The interview has to be within sight, but not the hearing, of an officer.

Mr Leeks said the change was made in response to a Bar Association request.

But a lawyer who works regularly with the Vietnamese criticized the new provision because, he said, it would be such a burden on staff resources in detention centers that visits would be denied when staff were not available.

Another ordinance change states that, except for good cause or at the request of a detainee, a camp superintendent may not refuse permission to any person wishing to visit a center.

At the moment there are 51,475 boat people in nine detention centres, 23,012 of them screened out as non-refugees.

Meanwhile, Britain's Overseas Development Minister, Baroness Chalker, met Vietnam's Foreign Minister, Mr Nguyen Manh Cam, yesterday and announced an extra 1 million pound (HK\$14.03 million) to help reintegrate Vietnamese boat people returning from Hong Kong.

Britain and Vietnam signed an agreement on May 12 on the compulsory return of tens of thousands of Vietnamese from the territory who have failed to get refugee status.

The money will pay for training, job creation and other development projects for the returnees, the Foreign Office said.

The first flight repatriating about 50 migrants screened out as economic migrants is expected to leave Hong Kong for Vietnam later this month.

Britain has already contributed 3 million pounds to a European Community-led scheme for returning Vietnamese and 1 million pounds bilaterally.

#### **Legislative Delegation To Visit Beijing 14 Jun**

*HK0906033492 Hong Kong SOUTH CHINA MORNING POST in English 9 June 92 p 3*

[By Doreen Cheung and Connie Law]

[Excerpt] Executive and Legislative Councillor Mr Allen Lee Peng-fei will lead a delegation of Co-operative Resources Centre (CRC) member on their first official visit to Beijing on Sunday [14 June].

The recent row over the number of directly-elected seats in the legislature is expected to top the centre's agenda with Chinese officials, including Mr Lu Ping, the Director of Hong Kong and Macao Affairs Office.

CRC convenor Mr Lee said they had been invited by Mr Lu to pay a four-day visit to the Chinese capital.

The invitation was extended during a meeting with Mr Lu when he was visiting the territory in January, Mr Lee said.

"We decided to visit Beijing next week during a short recess of the Legislative Council," said Mr Lee, adding that all 20 CRC members would take part in the trip.

Mr Lee said the trip would help to realise one of the group's aims of communicating with China to enhance understanding.

"A discussion in a friendly atmosphere will allow Hong Kong to undergo a smooth transition," he said.

Conceding that the political development in the territory had been put on the agenda, Mr Lee said the group had yet to reach a consensus view.

The CRC announced the trip to Beijing amid strong criticism from Mr Lee and another member Mrs Selina Chow Liang Shuk-ye on Britain's motivation to stir a new round of discussion on increasing the pace of democracy in Hong Kong.

Speaking in a public forum on Sunday, Mrs Chow, also an Executive Councillor, said the British side should tell Hong Kong people how they were going to persuade China to increase the number of directly-elected seats in the Legislative Council by 1995.

Mr Lee even condemned the British Government for creating false hope among Hong Kong people with the new minister for Hong Kong Mr Alastair Goodlad saying that the Basic Law could be amended before 1997.

Meanwhile the Secretary for Constitutional Affairs Mr Michael Sze Cho-cheung said both British and Hong Kong officials had emphasised that it was important for the 1995 legislature to be able to take the through train to 1997.

On the 20 percent ceiling on the number of foreign passport holders in the 1995 legislature, Mr Sze said the problem was not easy to solve.

"No matter what the future arrangements are, someone is bound to be unhappy. But the reality is, if someone wants continuity, we have to find a solution to the issue." [passage omitted]

#### **XINHUA Official Urges Ties With Mainland**

*HK0906024092 Hong Kong ZHONGGUO TONGXUN SHE in English 1537 GMT 8 Jun 92*

[Text] Hong Kong, June 8 (CNS)—The Director of the Hong Kong branch of the Xinhua News Agency, Mr. Zhou Nan, speaking at a seminar held here today by the Chinese General Chamber of Commerce, said that he hoped the territory's industrial and commercial circles would further extend their cooperation with the Mainland to prompt mutual prosperity in the two places and thereby make a greater contribution to the territory's stability and prosperity.

Mr. Zhou noted that the destinies of Hong Kong and the Mainland were closely related and as mutually dependent as lips and teeth. Development of the national economy in the motherland and its accelerated reform and openness offered a prime chance for the territory's persistent prosperity and stability. He said he hoped



industrial and commercial circles here grasp the present golden opportunity to keenly undertake investment and economic exchanges with the Mainland with a bolder attitude and a faster pace.

Mr. Zhou added that the remarks made by Mr. Deng on his visit to South China were critical talks at a critical time. Mr. Zhou elaborated on the essence of the talks and

their profound significance. He also revealed the enthusiastic support for and serious consideration given to the talks as well as their implementation in various sectors from the leadership to the grassroots, showing that the Mainland authorities are taking concrete steps to speed up reform and the open door policy. He also answered various questions raised by people from differed sectors in Hong Kong concerning possible problems facing China's current economic construction.

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**DATE FILMED**

*10 June 1992*

